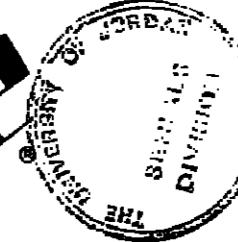


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Clinton Gives Kohl Plan For Special Relationship

Dollar Sellers Send a Signal To America

By Lawrence Malkin
International Herald Tribune

NEW YORK — The dollar plunged against the yen and major European currencies Monday in a rout that sent a message to the Federal Reserve to raise interest rates and to the Clinton administration to stop neglecting America's currency.

After leaders from the Group of Seven industrialized countries left their weekend summit meeting without even mentioning the dollar in their communiqué, the currency lost almost four pfennigs against the Deutsche mark to bottom at the lowest point in 20 months.

The dollar also fell to another in a series of postwar lows against the yen and to a 13-month low against the pound.

The dollar closed Monday in New York at 1.5280 DM, down from 1.5610 Friday, at 1.2890 Swiss francs, down from 1.3160, and at 5.2525 French francs, down from 5.3650. The dollar closed at 97.725 yen, down from 98.055. The pound strengthened to \$1.5720 from \$1.5495.

Dealers said the dollar would have weakened even further against the yen if not for the death of the North Korean leader, Kim Il Sung. Uncertainty in Asia prompted some of those dumping dollars to exchange them for European currencies instead of yen.

There were as many explanations for what had turned a steady erosion into a major sell-off as there were experts and analysts. Most agreed with Bronwyn Curtis, of Nomura Securities Co. in London, that the Clinton administration had helped bring this on itself by talking down the dollar to gain a trade advantage against Japan, thus upsetting the normal cycle of Japanese companies reinvesting their export profits in dollar-denominated bonds.

"But what made the spiral so deep, and when does it stop?" she asked. "I've spent hours on the phone in international conference calls today, and there is no clear answer."

Wayne Angell, an inflation hawk who served as vice chairman of the Federal Reserve Board and is now chief economist at Bear Stearns & Co., said the Fed was falling way behind in raising interest rates. If the Fed waits for the August meeting of the policy-setting Federal Open Market Committee to tighten, it will have to raise short-term rates a full percentage point, to 5.25 percent, Mr. Angell told clients.

He said he expected a quarter-point raise well before then. A signal could come on July 20, when Alan Greenspan, the chairman of the Federal Reserve Board, appears before Congress for his semiannual report on the Fed's targets.

In the meantime, many traders and analysts focused on the international bond market and what the Federal Reserve could do to stabilize it. More

See DOLLAR, Page 8

An Aid Alliance On East Europe

By Thomas L. Friedman
New York Times Service

BERLIN — Acknowledging that a united Germany is now the powerhouse of Europe, President Bill Clinton urged the Germans on Monday to become America's main partners in integrating former East European Communist nations with the economic and military institutions of the West.

Mr. Clinton's basic message was that the German-American military alliance of the Cold War, which had the United States in

President Clinton and Chancellor Kohl demonstrate their chemistry again. Page 3.

a superior role, must be replaced with a more equal partnership focused on economics and the unification of Europe.

Mr. Clinton noted: "Trade, as much as troops, will increasingly define the ties that bind nations in the 21st century."

American officials make clear that they view the other European countries, such as Britain and France, are either too economically weak, or too inward looking, to play a leadership role in Europe.

The "special relationship" is increasing with Germany.

Chancellor Helmut Kohl said after his talks with President Clinton that his nation was ready to assume the more assertive posture Washington is seeking.

"The excuse that we had for the past 40 years was that as a divided country we were unable to take certain decisions," said Mr. Kohl. "That is something that is no longer valid."

Mr. Clinton and Mr. Kohl said they did not discuss the American dollar, which fell 1 percent Monday against the Deutsche mark — a huge amount for a single day — closing in Frankfurt at 1.5495 DM.

American officials have rationalized the fall of the dollar against the Japanese yen as the natural result of Japan's huge trade surplus with the United States, but the fall of the dollar against the Deutsche mark has to be deeply worrying because it suggests a broader loss of confidence.

Mr. Clinton, the first American president to visit Germany since unification, is closing Bonn and Berlin as a turning point in history.

Tuesday, he will preside over the deactivation of the last American military unit in Berlin, where there has been a U.S. troop presence for 49 years.

By coincidence, the German high court is expected to rule Tuesday, probably in the affirmative, on the constitutionality of German troop participation in military operations beyond the country's borders.

And Germany is finally coming out of the recession created by the demands of absorbing the former East Germany.

President Clinton timed his trip here to put America firmly on the side of an assertive German leadership posture.

After talks with President Clinton and Chancellor Kohl at the German leaders' office in Bonn, Mr. Clinton said at a news conference: "We know from our experience how half of Europe was integrated through NATO and other institutions that built stability after World War II."

"At the heart of our discussion today was what we have to do to integrate Europe's other half, the new independent nations: Poland, the Baltic countries, Russia, Ukraine, Hungary, the Czech Republic, Slovakia and others."

While all the attention in the past year

See CLINTON, Page 5



President Bill Clinton and Chancellor Helmut Kohl congratulating each other Monday after their news conference.

Ukraine and Belarus Throw Out Leaders

By Fred Hiatt
Washington Post Service

KIEV — Angry voters in Ukraine and neighboring Belarus have cast their leaders out of office, registering strong protests over the corruption and economic hardship of post-Soviet life, officials said Monday in releasing results of Sunday's elections.

The presidents-elect of Ukraine and Belarus both swept into office with promises to impose order, crack down on corruption, improve living standards and broaden economic ties with their giant neighbor to the east, Russia.

Ukraine's new president, Leonid Kuchma, chose as his next president Leonid S. Kuchma, a former prime minister and engineer.

Mr. Kuchma, 55, who once headed the Soviet Union's biggest missile factory, vowed to maintain Ukraine's indepen-

dence, but said the nation must turn to Russia for economic ties.

With more than 52 percent of the vote, according to preliminary figures, he defeated the incumbent, Leonid M. Kravchuk, 60, who was believed to have enjoyed the tacit support of the United States and other Western countries.

Belarus, a nation of 10 million electing a president for the first time, gave 80 percent of its vote to populist Alexander Lukashenko, a former collective farm director.

See ELECTIONS, Page 5

Burma Softens Hard Line on Dissident

By Philip Shonan
New York Times Service

RANGOON — The head of Burmese military intelligence said Monday that he would accept an invitation to meet with Daw Aung San Suu Kyi, the imprisoned dissident leader and Nobel laureate, in a demonstration of his government's willingness to "work hand in hand with the politicians who have opposed us in the past."

The intelligence chief, Lieutenant General Khin Nyunt, is often described as the most powerful man in the government, and a meeting with Daw Aung San Suu Kyi would be an important symbolic step towards political reform.

General Khin Nyunt did not set a date for the meeting and suggested that the

timing could be decided only after further deliberations within the junta. "The meeting will take place at an appropriate time," he said in an interview in which he was notably conciliatory toward the pro-democracy leader, a woman he described in the past as a dupe of Burmese Communists.

"Daw Aung San Suu Kyi is not an enemy," he said. "In fact she is the daughter of one of our generals. She is younger than me, and I think of her like a younger sister."

Noting that the junta had recently signed peace settlements with several ethnic rebel groups, he added, "We are willing to work hand in hand with the politicians who have opposed us in the past."

General Khin Nyunt said it was too early to discuss an agenda for the meeting with Daw Aung San Suu Kyi, who on July 20 will enter her sixth year under house arrest in her family's lakeside compound here.

Diplomats and other Burmese officials said the meeting would almost certainly not take place until after a national constitutional convention reconvenes in September.

The convention, which is being conducted mostly outside public view and under the tight control of the country's military, is expected to produce a constitution that will enshrine the military's political role

See BURMA, Page 5

Kiosk

WORLD CUP GRANDSTAND

Hero in Sweden's Net

Thomas Ravelli, the Swedish goalkeeper, may be his team's oldest player at 34, but he still had enough fire in his heart to become the hero of a penalty-kick shootout with Romania. Thanks to his two blocked shots, Sweden advanced to a semifinal against Brazil.

New World Soccer Order

There is a new world order developing in soccer, decentralized and unpredictable, and as stirring as the last postwar order, which began with Hungary's 1954 final upset by West Germany, Jan. Thomsen writes. The new deal began to see in with Denmark's 1992 victory over Germany in the European Championships and it has spread to Eastern Europe, where Bulgaria and Romania used to be isolated and inexperienced. But now their players have seen the world, and they aren't so easily intimidated.

Wednesday's semifinal matches: Italy vs. Bulgaria, at East Rutherford, N.J., 7:30 p.m. EDT; Brazil vs. Sweden, at Pasadena, Calif., 2:30 p.m. EDT.

World Cup report: Pages 16 and 17.

Israeli Troops Hunt Militants in Nablus

NABLUS, Israeli-Occupied West Bank (AP) — Israeli troops paralyzed the largest West Bank city Monday during extensive searches for Islamic militants, besieging a home in the warren-like casbah and killing two Palestinian men.

The two dead were believed responsible for attacks on Israelis, and the army kept the story under censorship for more than 11 hours.

The 110,000 people in Nablus, 70 kilometers north of Jerusalem, were under curfew, with movement banned. Tension is rising in the West Bank, where residents feel the Palestinian self-rule plan in Gaza and the West Bank town of Jericho has done little to ease Israel's occupation.

General News

Jacques Santer of Luxembourg is the latest EU front-runner. Page 2.

Book Review

Page 6.

Crossword

Page 18.

Newsstand Prices	Down	Up
Andorra ... 5.00 FF	Luxembourg 60 L. Fr	12 Dh
Antilles ... 11.20 FF	Morocco ... 5.00	
Cameroun ... 1,400 CFA	Greece ... 8.00 Riots	
Egypt ... E.P. 5000	Reunion ... 11.20 FF	
France ... 9.00 Dr.	Saudi Arabie ... 9.00 R.	
Gabon ... 900 CFA	Senegeal ... 900 CFA	
Greece ... 2,000 L.	Spain ... 200 PTAS	
Italy ... 2,800 L.	Tunisie ... 1,000 Din	
Ivy Coast ... 1,120 CFA	Turkey ... T.L. 35,000	
Jordan ... 1 JD	U.A.E. ... 8.50 Dirh	
Lebanon ... US\$ 1.50	U.S. Mil. (Eur.) \$1.10	

Newsstand Prices	Down	Up
Dow Jones	6.15	0.93%
DM	970.99	113.41
True Dollar	1.528	1.561
Pound	1.572	1.5485
Yen	97.725	98.055
FF	5.2525	5.355

For East German Diplomats, the Cookie Crumbles

By Stephen Kinzer
New York Times Service

BERLIN — The group of slightly shabby retirees chatting outside a library in eastern Berlin one recent afternoon hardly looked like former members of an international elite, at ease in the company of kings and presidents.

Until 1990, these men and women were East Germany's diplomats, among them specialists with unique webs of contacts in foreign lands. They are now banned from diplomatic service, forbidden to practice the only trade most of them knew.

No longer do they enjoy the privileges of large staffs, limousines, official residences and gilt-edged invitations to state functions.

Many live anonymously in drab apartments, the glitter of their former lives fading into memory.

Some, brooding in their forced retirement, have become angry and embittered. Others have found new

careers and are making more money than East German functionaries ever dreamed of.

The former diplomats have formed a club, the Association for International Politics and Human Rights. At their recent meeting in Berlin, the chairman, Siegfried Bock, a former ambassador to Romania, announced seminars on Cuba, Russia and "the Albanian factor in Balkan politics."

He also announced that the association had recently sent congratulatory telegrams to Nelson Mandela and Yasser Arafat.

In South Africa and Palestine, goals for which East Germany and its diplomats fought for years are being achieved," Mr. Bock asserted.

Nearly 200 former diplomats in the audience represented an aging but unique resource, a veritable foreign ministry-in-waiting with sweeping knowledge of languages, history and personalities.

However, the German government, fearful of the im-

plications of hiring diplomats who spent their careers serving communism, wants nothing to do with them. Bonn did not even seek to debrief them or ask them for suggestions on how to deal with the countries in which they once served.

Many of the unwanted diplomats have found lucrative work in countries where they were posted. Former ambassadors to China and Vietnam, for example, now run thriving businesses representing European companies in those countries.

A former ambassador to Cuba runs a travel agency that specializes in Havana vacations.

Others, particularly those who were at lower and middle levels, now work as cooks and taxi drivers. A few are unemployed and without prospects.

For a brief period while German reunification was being designed in 1990, it appeared that at least some

See ENVOYS, Page 5

لسان العامل

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A 'Lightweight' Leader May Be What EU Powers Want

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Union narrowed its search for a successor to Jacques Delors on Monday but EU sources said the process appeared to have eliminated the best qualified candidates.

Chancellor Helmut Kohl of Germany on Monday formally summoned the other 11 heads of government to a summit meeting here Friday to anoint a candidate for the presidency of the European Commission. The move increased pressure on his colleagues to agree on a candidate and avoid a repeat of the embarrassing failure in Greece two weeks ago, when Prime Minister John Major of Britain vetoed Belgium's Jean-Luc Dehaene at the last minute.

The latest front-runner, EU sources said, was Prime Minister Jacques Santer of Luxembourg. He enjoys solid German and French backing.

sources say, and as a Christian Democrat from a small member state, he has the right credentials to replace Mr. Delors, a French Socialist.

But despite being regarded as an able man, he packs little clout as leader of the Union's smallest country. "Our feeling is he's a lightweight," a Belgian official said.

The other name most often mentioned, Poul Schlüter, the former Danish prime minister, is skeptical of European integration. His country has opted out of the Union's common defense and justice policies.

Mr. Schlüter, who resigned 18 months ago over an immigration scandal, is best known for his dismissive response in 1986 when asked if Denmark was giving up its sovereignty in signing the Single European Act, which paved the way for the 1992 single market. "The European Union is stone dead," he replied.

Asked about the two men's merits, a German

official said that "both are basically acceptable to all member states."

But that comment underscores the dilemma facing EU leaders. Stronger candidates have been either vetoed, like Mr. Dehaene, rejected by France and Germany, or was the Dutch prime minister, Ruud Lubbers, or pulled themselves out of the running, as Spain's Felipe González has done.

Despite the German contention that this is the most important job in Europe, leaders seem likely to reach agreement only on the lowest common denominator, EU officials said. That is especially the case after Mr. Major said Monday that he stood ready to veto any candidate not in Britain's interest.

Still, it is impossible to predict how any candidate will perform. Mr. Delors showed as much by being plucked from relative obscurity at the last minute in 1984, only to lead Europe into the

single-market program and the Maastricht treaty, which envisages a Europe with a common currency, defense and justice policies.

But European officials are bracing for little more than a caretaker successor at the commission who will leave the initiative very much to Bonn, Paris and other capitals as Europe heads for a Union of 20 or more members.

"They're not looking for a very visionary European," an EU official said. "They're looking for a down-to-earth, pedestrian sort of president who would emphasize subsidiarity and not put forward very difficult proposals." "Subsidiarity" is EU talk for limiting the role of the Brussels bureaucracy.

Among the other candidates is Giuliano Amato, the former Italian prime minister. But he has obtained little support from the new conservative government of Prime Minister Silvio Berlusconi.

WORLD BRIEFS

Outlawed Khmer Rouge Proclaims Cambodia 'Provisional Government'

PHNOM PENH (AFP) — The Khmer Rouge guerrillas proclaimed a provisional government Monday in part of northern Cambodia, a move swiftly dismissed as "meaningless" by officials here in the Cambodian capital. The National Assembly has already passed a law outlawing the Khmer Rouge, Cabinet Minister Sok An said. "They are outlaws."

In a broadcast monitored in Bangkok, Khmer Rouge radio named Khoua Samphan as prime minister and national army minister in a Provisional Government for National Solidarity and the National Salvation of Kampuchea.

The provisional government, formed at a "special meeting" Saturday and Sunday and based in Preah Vihear Province, recognized King Norodom Sihanouk as "the true patriotic and honorable king of the Khmer nation," the radio said.

By some counts, as much as a sixth of Cambodia is under control of the Khmer Rouge, which boycotted UN-sponsored elections last year and began hit-and-run raids on government positions. The ultra-nationalist, Maoist faction was blamed for the death of about a million Cambodians in a four-year reign of terror in the 1970s.

A Neo-Nazi Songfest Sparks Fury

POTSDAM, Germany (Reuters) — A senior German police officer was suspended from duty Monday for failure to prevent a far-right concert from taking place in the eastern town of Riedersdorf. Orders had been issued to stop it.

A spokesman for the Interior Ministry of the state of Brandenburg, just outside Berlin, said several hundred extremists attended the weekend concert, singing bemed songs and exchanging neo-Nazi propaganda.

The ministry had called on all police stations to use all "legal means" to stop the rightists from gathering. Police officers stood by and failed to interfere. The ministry has launched an investigation.

IRA Says It Killed Ulster Activist

BELFAST (Reuters) — The Irish Republican Army claimed responsibility on Monday for the killing of a Protestant activist in his home in Lisburn, Northern Ireland. In a message to the media, the IRA admitted killing Raymond Smallwood, 44, chairman of the small Ulster Democratic Party.

Mr. Smallwood had served seven years in jail for his part in the attempted murder of an Irish nationalist politician, Bernadette Devlin McAliskey, in 1981.

Police said he died in a hospital shortly after the attack, which was carried out on the eve of the so-called Protestant marching season that marks the 1690 victory of William of Orange over the Catholic James II at the Battle of the Boyne.

Hong Kong Airport Impasse Widens

HONG KONG (Reuters) — One of China's senior officials here said on Monday that substantive problems must be resolved before a long-awaited agreement can be reached on funding the colony's new airport.

Zhang Guoxing, a deputy director in Hong Kong for the Xinhua news agency, China's de facto consulate, blamed the British for the impasse.

Britain and China signed the preliminary agreement in 1991, but China has since rejected three funding proposals on the grounds they would saddle Hong Kong with debt after its reversion in 1997.

Berlusconi Accused of State TV Grab

ROMA (Reuters) — Prime Minister Silvio Berlusconi was embroiled in controversy on Monday over accusations that he had received a bid to take control of Italy's state broadcaster, RAI.

The federalist Northern League, largest partner in the coalition government, said Mr. Berlusconi was trying to make RAI subservient to his Forza Italia Party by packing its new board.

Umberto Bossi, the Northern League leader, said RAI must not become an instrument of political information for Forza Italia. Mr. Berlusconi's allies say the ailing network has been mismanaged and needs restructuring.

Turkish Cypriots Close Border Point

NICOSIA (AP) — Turkish Cypriots closed the crossing point between the north and south of this divided island Monday to protest a European Court ruling that their breakaway state has no legal status.

About 1,000 Turkish Cypriot demonstrators blocked movement between the Turkish-occupied north and the Greek Cypriot-controlled south.

The court's verdict was a heavy blow to the economy of the self-styled Turkish Republic of Northern Cyprus because it effectively banned the export of its farm produce to European Union states.

TRAVEL UPDATE

Strikes to Cut Back Air Inter Flights

PARIS (AFP) — A strike by staff members of the domestic French airline Air Inter, worried about growing competition from foreign airlines, was expected to stop a third of all flights Tuesday, while a separate action by air traffic controllers in Aix-en-Provence threatened to disrupt other journeys.

Disruption could worsen Wednesday, the eve of the French national holiday, known outside of France as Bastille Day. Air Inter has asked passengers to reschedule journeys and said extra seats would be provided on other days.

Strikes hobbled Alitalia Monday as flight attendants and ground crew protesting job cuts struck for a day, forcing cancellation of 60 percent of flights — mainly domestic — out of Rome and Naples. Another strike is scheduled July 21 and 22. (Reuters)

The bulls ran down more people in Pamplona on Monday, in one of the most dangerous days of this year's San Fermín festival in Spain. The injuries brought to 33 the number of people hospitalized this year in the running of the bulls. (AP)

Algeria raised airline fares by 20 to 30 percent on Monday to keep up with higher operating costs and a currency devaluation, state radio said. The increases applied to the national airline, Air Algérie, as well as foreign airlines based in Algeria. (Reuters)

A wildcat walkout in Oslo hit a major hotel, while other union workers halted food and beverage deliveries to the hotel as a sign of labor solidarity. The strike was called by about 20 Tamis who are working in housekeeping positions at the SAS Scandic Hotel to call attention to their working conditions. (AP)

A windsurfer was killed by a shark in Reunion, authorities on this French island in the Indian Ocean said Monday. He was the sixth person to be killed by sharks in Reunion's coastal waters since 1980. (AP)

U.S. Expects Talks With North Korea To Resume Soon

Compiled by Our Staff From Dispatches

WASHINGTON — The chief U.S. delegate to nuclear talks with North Korea said Monday that he expected the suspended negotiations to resume by the end of this month.

"We have said 'in the coming weeks' and I expect that is very likely to be before the end of the month," said Assistant Secretary of State Robert L. Gallucci, "but I can't be certain of that."

Mr. Gallucci, who has been conducting negotiations with the North Koreans, made his comments on television from Geneva after he had been informed that the meetings were being suspended because of the death of President Kim Il Sung.

Asked if he had assurances that the North Korean president's death did not mean the end of the talks, Mr. Gallucci said:

"I think we have the closest thing to assurances. We have an agreement that after the period of mourning, which will end with a funeral on the 17th of this month, that the North Koreans will contact us through their mission in New York and give us a date which they will propose for the resumption of our talks."

He said the United States was "reasonably certain" that the negotiations would go forward.

The talks represented an unusual opening to the West in one of the last acts ordered by Kim Il Sung.

Their continuity is a high

U.S. priority, providing the North Koreans keep their word on allowing continued United Nations monitoring of their nuclear installations.

In Bonn on Monday, President Bill Clinton said: "I think it is in the interest of the United States that North Korea continue to suspend its reprocessing, refueling, and continue to engage in those talks. They have told us that the talks will resume after an appropriate time for grieving."

Mr. Gallucci said that in a meeting with the North Korean delegation leader, Kang Sok Ju, the first deputy foreign minister, he was told, "in effect, that we should expect that the policy pursued by President Kim Il Sung would be continued by the new government."

He was referring to the International Atomic Energy Agency, which monitors nuclear energy programs to see that they are not diverted for military uses. North Korea's program is widely suspected of being part of a covert arms effort.



Two Rwandans carrying an injured relative home during the weekend after detention camps were opened in Kigali.

France 'Fervently' Seeks UN Troops for Rwanda

Reuter

UNITED NATIONS, New York — Prime Minister Édouard Balladur said Monday that France had fulfilled its mission in Rwanda and that it was time for the United Nations to send troops and humanitarian aid to head off a fresh crisis.

Mr. Balladur told the Security Council that France would make available to a UN war crimes commission information it had gathered on those responsible for hundreds of thousands of deaths of minority Tutsi in Rwanda.

The perpetrators of the massacres will be held liable for their acts before

the international community," he said.

Mr. Balladur and Foreign Minister Alain Juppé came to New York on a four-hour visit to speak to the 15-member council and senior UN officials.

He said France was "fervently seeking" reinforcements for the UN Assistance Mission in Rwanda, which "should be deployed as soon as possible."

The prime minister said, "The French and Senegalese forces in Rwanda cannot take the place of the operation decided upon by the Security Council."

As Mr. Balladur spoke, Rwandan rebels closed in Monday on the last major town between them and the government.

Military sources said the town might fall in a day.

Aid agencies in the eastern Zairean border town of Goma said they were bracing for up to a million displaced people after the northwest town of Rubengat fell and rebels pushed on to the lakeside border town of Gisenyi, last refuge for Rwanda's interim government.

Rubengat is the only major stronghold between the Tutsi-dominated Rwanda Patriotic Front and the Hutu government, which fled earlier rebel offensives to Gisenyi.

Ex-Chief of CIA Raises Possibility Kim Was Killed

Reuter

WASHINGTON — Robert M. Gates, the former CIA director, said Monday he would not rule out the possibility that President Kim Il Sung of North Korea was killed by hard-liners wary of the task he was taking with the United States and South Korea.

Rodong Sinmun, the daily newspaper of the Communist Party, added its voice of praise.

"His tested leadership," the paper said, definitely guarantees the successful inheritance and accomplishment through generations of the revolutionary cause of juche, started and led by Comrade Kim Il Sung.

"We will entrust our destiny entirely to Comrade Kim Jong Il and remain loyal and devoted to him. No matter what may happen, we must accomplish the cause of socialism and build on this and a Communist paradise where the independence of the popular masses is fully achieved, thus realizing what the great leader desired."

A top-level meeting of the North Korean ruling party was apparently under way in Pyongyang, according to a foreign journalist there reached by telephone from Beijing.

Mr. Gates said the timing of Mr. Kim's death, just as North Korea held fresh talks with the United States and planned its first-ever summit meeting with South Korea, was "all too convenient" and raised suspicion in the case of a man not known to have had cardiac problems.

11 Are Killed by Gunmen in Algiers

7 Foreigners Among Victims, Police Blame Terrorists

Agence France-Presse

ALGIERS — Gunmen killed eleven people Monday in Algiers, seven of them foreigners, prompting concern that Islamic fundamentalist guerrillas are intensifying a terror campaign.

There was no immediate claim of responsibility for the attacks, but Algerian security services described them as "terrorist" acts, a term normally used by officials to refer to activities by armed Islamic groups.

In one attack, gunmen opened fire on a restaurant in the Algiers Zoo, killing two Algerians and two persons from the former Yugoslavia while they were eating lunch.

Earlier, five foreign workers were taken off a bus in an Algiers suburb, separated from Algerian passengers, forced to kneel and shot, witnesses said.

One of the victims was Russian, one Ukrainian and two were from Belarus, a spokesman for the Russian Embassy in Algiers said, in a report carried in Moscow by the agency Itar-Tass. The fifth was from Romania. The Algerian government had initially said they were all Russian.

In a third attack, gunmen killed two Algerian officials late

Monday, the security services announced.

Mohammed Bekkouche, director of the National Veterinary College, was killed in the eastern suburbs of Algiers while Ouramane Amokrane, general director of the National Professional Training and Equipment Agency, was shot in Birkhaem, south of the capital.

Officials said the circumstances of the shootings were not clear.

The victims of the bus shooting were contract workers with the state oil company and were on their way to work in Algiers when the bus was halted.

With the latest deaths, Islamic fundamentalists are believed responsible for the deaths of 51 foreigners since last September.

The last art theft from the Louvre was on July 4, 1990, when a Renoir portrait was taken. It was recovered two months later.

The museum's director, Michel Laclotte, said the Nanteuil work, a portrait of a magistrate, was "extremely fragile" and almost certain to be damaged by the thief.

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THE AMERICAS / AGREEING WITH HELMUT

POLITICAL NOTES

Clinton's Judge Was His Pupil

LITTLE ROCK, Arkansas — Twenty years ago, Susan Webber Wright studied navigation law under Professor Bill Clinton. Now she is about to travel through scarcely charted legal waters as the federal judge presiding over a lawsuit that accuses President Clinton of improper sexual advances.

Life can be full of strange twists, especially in a state where it sometimes seems that everyone has crossed paths with everyone else. About the time she was in Mr. Clinton's classroom, she was also out on the campaign trail working against him, in the congressional race that he lost.

A conservative Republican, Judge Wright was appointed to the post on the U.S. District Court in 1990 by President George Bush, and she ruled in some important cases from Mr. Clinton's last years as governor, handing him a mixed bag of victories and defeats.

She is currently presiding over a Little Rock school desegregation case and ruled in 1991 that the court had no authority to extend district tax rates to carry out desegregation.

She has upheld the Arkansas death penalty statute, which Governor Clinton supported, but ruled that Arkansas violated federal law when it cut reimbursement rates to Medicaid providers in 1992.

Now, Judge Wright, 45, has been assigned to a case that brings a rare question of presidential immunity and much more publicity than she says she prefers.

In the federal courthouse two months ago, Paula Corbin Jones, a former Arkansas state worker, filed a civil lawsuit accusing Mr. Clinton of making unwanted sexual advances while he was governor in 1991.

Her lawyer charged Mr. Clinton with violating a federal civil rights law. Lawyers for Mr. Clinton argued last month that he should be given immunity from the civil suit while he is in office and that the lawsuit be put on hold until the immunity question was resolved.

The question of granting immunity for a sitting president from a civil suit involving actions alleged to have occurred before his taking office has arisen only once before, when President John F. Kennedy was sued in California for his indirect role in a traffic accident at the 1960 Democratic National Convention, in Los Angeles.

A California state judge ruled that Mr. Kennedy could be sued as any ordinary citizen could, but the opinion has no binding effect on the Jones case, Judge Wright has said she will rule before Aug. 10 whether to hear the immunity question.

"I think she is going to be very aware that hers is a first in a series of rulings on this issue,"

that have a long-range effect," said Morgan E. Welch, a Little Rock lawyer who attended law school with Judge Wright.

"I think she'll be circumspect on this case, but not mesmerized when she's dealing with the president of the United States. She's not going to be easily swayed by emotions or politics. That makes her good for this case."

(NYT)

NAACP Looks Beyond Rights

CHICAGO — America's blacks are fighting for something more basic than civil rights, William F. Gibson, the NAACP chairman, said at the organization's 55th annual convention.

"We now have to address the issues of crime, drugs, education," he said, "and housing — the fundamental survival questions that many people do not consider civil rights."

Meanwhile, Executive Director Benjamin Chavis reiterated his plan to draw all elements of the black community together under the umbrella of the National Association for the Advancement of Colored People.

Mr. Chavis was criticized for inviting Louis Farrakhan, the Nation of Islam leader, to a black unity convention, in Baltimore last month. Mr. Farrakhan was not invited to speak at the NAACP convention, which runs through Thursday in Chicago, his hometown.

"Disunity among African-American leaders and organizations has impeded our social progress," Mr. Chavis said in his keynote address to approximately 4,000 delegates. "We learn from all. No one of us knows all the answers."

Mr. Chavis also suggested that the NAACP welcome Hispanics into the group, and he called on delegates to make the organization more appealing to young people and inner-city residents.

"This is not time for cynicism nor for disillusionment nor hopelessness," he said. "We are on the move and we are fired up."

Membership, he said, increased in the past year from 490,000 to 675,000, and people under 24 make up 65 percent of the new members.

(AP)

Quote/Unquote

Floridians at a public meeting in Tampa called by Representative Sam M. Gibbons, a Democrat and acting chairman of the House Ways and Means Committee, "It's communism." "Socialistic." "We're morally opposed to it." Mr. Gibbons: "I understand you. I respect you. There's no need to shout."

(NYT)



HEAVY HITTER — Former President George Bush raising a cap presented to him after induction into the Maine Baseball Hall of Fame in Portland over the weekend.

U.S. and France Settle AIDS Dispute

The Associated Press

WASHINGTON — American health officials acknowledged Monday that U.S. scientists used a French virus to develop an HIV test kit and agreed to give the Pasteur Institute in Paris more of the royalties.

The two governments have had a lingering dispute over how to divide the HIV test kit royalties, despite a 1987 settlement that was supposed to share them equally.

Instead, because more American than French test kits are sold each year, the United States has received \$20 million in royalties to the Pasteur Institute's \$14 million.

The new agreement, announced at a meeting of the French and American AIDS Foundation, is intended to equalize the royalties and "normalize the sometimes rocky relations" between the two countries' health care

establishments, said Dr. Harold Varmus, director of the U.S. National Institutes of Health.

The meeting was at the institute's headquarters in Bethesda, Maryland.

The agreement also included an acknowledgement by the NIH and its parent, the Department of Health and Human Services, "that scientists at the NIH used a virus provided to them by [the Pasteur Institute] to invent the American HIV test kit," he said.

Each side will continue to keep the first 20 percent of royalties from sales of its kits. The rest will be pooled, with 50 percent going to the Pasteur Institute, 25 percent to the United States and 25 percent to the World AIDS Foundation. The old formula gave 25 percent to the World AIDS Foundation and 37.5 percent each to France and the United States.

Canada Weighs Plan to Sell Surveillance Planes to Beijing

Agence France-Presse

OTTAWA — A plan to sell aircraft furnished with sophisticated surveillance equipment to China is being studied by the Canadian government, television network reported Monday.

Officials of the aircraft manufacturer, Canadair, and the Canadian government, which must approve the deal, were not available for comment.

The CTV network, citing government documents, said the proposed deal envisages the sale of a fleet of Challenger jet aircraft worth \$200 million.

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equipped with Israeli-made spy equipment.

CTV cited the minutes of a meeting at the Foreign Ministry during which, it said, the ministry's deputy director of foreign affairs for East Asia, Ted Lippman, was quoted as saying: "The main concern about this potential sale is the nature of the monitoring equipment to be installed."

CTV also said the minutes of that meeting showed unnamed diplomats as suggesting the plane might have to be exported to Israel as a way of circumventing Canadian export rules.

Canadian is a subsidiary of the Bombardier group of Montreal, which was part of a Canadian government-sponsored trade mission that visited China in March.

Clinton and Kohl Chemistry Bubbles Over

By Ruth Marcus
Washington Post Service

BONN — Of all the world leaders President Bill Clinton has met at home and abroad, there is one who clearly stands out as his favorite: Chancellor Helmut Kohl of Germany.

Aides who remark on the evident warmth between the two men point to their common working-class origins, their mutual passion for politics, and their equally impressive appetites.

The chunky president looks positively svelte next to his portly German counterpart, a point that Mr. Clinton mischievously drove home at the NATO summit in Brussels in January when he told Mr. Kohl he had been watching

sumo wrestling on television the night before and "I was thinking of you."

The two leaders had a terrific time when they dined down at Filomena's restaurant in Washington a few weeks later, consuming impressive quantities of food.

The chemistry between the two lead-

REPORTER'S NOTEBOOK

ers was evident here Monday when they met again after seeing each other just a day earlier, at the economic summit meeting in Naples.

In the sun-dappled garden of the Ger-

tched a tricky question about his assessment of Kim Jong Il, the son of the late president of North Korea. He responded by barting it to Mr. Kohl.

"I wish you'd answer that question, Helmut," Mr. Clinton said — and, to his apparent delight, Mr. Kohl obliged.

Germany is holding elections this fall, and Mr. Clinton dutifully hewed to protocol, meeting with leaders of the opposition parties. But his own vote could not have been clearer Monday at the start of a lunch — marinated fillet of beef, soufflé fillet of sole and peach parfait with berry salad — at the Petersberg Guesthouse, atop a mountain overlooking the Rhine.

After listening to Mr. Kohl's toast

outlining the roles of Germany and America after the Cold War, Mr. Clinton said: "It reminded me of what so often happens at the G-7 meetings or NATO meetings. They call on me and I say, 'I agree with Helmut.'"

Mr. Kohl beamed at the praise, a welcome political boost here, where the American president is a popular figure. Asked whether Mr. Clinton was deviating from political neutrality, a senior official said, "I think that it's undeniable that the president and the chancellor have very close and warm personal relations."

Monday night, Mr. Clinton showed Mr. Kohl around his hometown, Ludwigs-

Haiti Ousts Observers From UN And OAS

By David Johnston
New York Times Service

PORT-AU-PRINCE, Haiti — In another act of defiance toward the world community, Haiti's military-backed rulers ordered international human rights monitors on Monday to leave the country within 48 hours.

The announcement, which came in a note from the Foreign Ministry, was immediately condemned by the United Nations and the Organization of American States, which ran a mission to monitor and document human rights abuses in Haiti.

The Haitian move also drew verbal fire from Washington. "We certainly condemn the illegal de facto regime in Port-au-Prince for its intention to expel the UN-OAS human rights observers from Haiti," a State Department spokeswoman said at a news conference.

The spokeswoman said the decision by Haiti's military leaders was "certainly a serious escalation in the conflict between the regime and the international community."

The joint mission began in 1992 as part of an aborted agreement to return Haiti's ousted president, Jean-Bertrand Aristide, to power. The military, led by Lieutenant General Raoul Cedras, overthrew Father Aristide in a military coup in September 1991.

UN officials in Haiti said that a formal decision on whether to obey the order had not been made, but that the ultimatum would almost certainly be met. On Wednesday, the mission suspended operations when the de facto government questioned their legality.

"Security of our personnel is always right near the top of the list of priorities," a UN official said. "I am pretty sure we will be leaving."

A special envoy for the mission, Dante Caputo, speaking in New York, called the expulsion an "outrageous decision," a "provocation" and an "insult."

"They kill people, they rape people," Mr. Caputo said of the Haitian military. "And they don't want any witnesses in their country."

The mission wrote numerous reports documenting human rights abuses by the military and its civilian allies, accusing them of murder, torture and systematic, politically motivated rape.

While powerless to stop abuses, the mission had proved a thorn in the side of the military, issuing a steady stream of reports that strongly linked the military to abuses. The reports were widely viewed as credible by the international community.

The timing of the move by Haiti's de facto government, led by the provisional president, Emile Jonassaint, puzzled some diplomats and observers. They said the action showed the government and its military backers still felt they had nothing to fear from the international community.

An effort to force the government to step aside, the United Nations, led by the United States, has placed a near-total commercial blockade on Haiti, cutting off the flow of fuel and commerce. Almost all commercial flights also have been cut off, leaving the impoverished nation virtually isolated.

President Bill Clinton and other U.S. officials have said repeatedly in recent days that they do not rule out the possibility of military action to remove General Cedras and other senior military leaders. Almost a dozen warships and U.S. Coast Guard cutters patrol Haitian waters, both to provide a credible threat of force and to enforce the embargo.

The CTV network, citing government documents, said the proposed deal envisages the sale of a fleet of Challenger jet aircraft worth \$200 million.

survey did not find that the criminal justice system treated defendants in domestic violence cases less harshly than other accused killers.

The outcomes of family murder cases were about the same as those in all types of murder cases. Defendants were about as likely to be charged with first-degree murder as all other defendants, and were no more likely to be acquitted or have their cases dismissed.

About half of the defendants in family killings had been previously arrested, a smaller percentage than the three-quarters of the defendants in nonfamily killings.

Firearms were used in 42 percent of family killings, less frequently than in non-family homicides, when firearms were used in 63 percent of the cases.

While husbands were much more likely to kill their wives than vice versa, among black couples wives killed their husbands at nearly the same rate as husbands killed wives. Forty-seven percent of

black spouses killed by a spouse were husbands and 53 percent were wives.

The statistics also drew a stark picture of fathers and mothers who kill their offspring. Of all family murders, more than one-fifth involved parents killing their children, a crime committed more often by mothers than by fathers.

Mothers were more likely to murder a son than a daughter; 64 percent of their victims were sons. Fathers, in contrast, were more likely to kill daughters, who made up 52 percent of the slain.

In murders of children under the age of 12, parents were the defendants in 57 percent of the cases. Nearly 80 percent of the children in these cases had been abused by the parent who killed them.

Several themes ran through the data. Most family killings occurred at night, in the home. Nearly half the defendants and about one-third of those killed had been drinking.

Death Penalty Seen Unlikely in Simpson Case

The Associated Press

LOS ANGELES — Jurors would be unlikely to impose the death penalty against O.J. Simpson because of his popularity, legal experts say.

"There is no way that a jury is going to return a death judgment against O.J. Simpson," said a criminal lawyer, Barry Levin, a former Los Angeles police officer who has investigated nine capital cases.

"What it boils down to is, the only way a jury will kill your client is if he is a complete animal, they hate him," he said.

Few people hate Mr. Simpson. In fact, recent polls show that most see him more

as a football hero or celebrity than a man accused of murder.

His only criminal conviction has been a no-contest plea to misdemeanor wife-beating in 1989. He was placed on probation.

"O.J. Simpson has the advantage of being known for something other than allegedly killing his wife and another person," said Bryan Stevenson, director of an Alabama resource center on capital punishment.

"When you're forced to see the defendant as something more than the criminal act, it becomes much harder to say, 'We're going to kill you.'

Prosecutors still have not decided

whether to seek the death penalty against Mr. Simpson, who is accused of murdering his ex-wife, Nicole Brown Simpson, and her friend, Ronald Goldman, on June 12.

He was ordered Friday to stand trial. Mr. Simpson, who has been jailed without bail since his arrest on June 17, pleaded innocent. His arraignment is scheduled for July 22.

A committee in the prosecutor's office, led by the assistant district attorney, Frank E. Sundstedt, will decide whether to seek capital punishment. Mr. Sundstedt has declined to discuss the case, but he noted that the death penalty is rarely imposed in domestic homicides.

Health-Care Tide Undermines Clinton Plan

By Karen Tumulty and Edwin Chen
Los Angeles Times Service

WASHINGTON — In what

may turn out to be the ultimate irony of Bill Clinton's presidency, it appears that any health-care legislation that emerges from a yearlong battle on Capitol Hill will look more like former President George Bush's vision of reform than Mr. Clinton's.

Although Democratic leaders in the House and Senate may succeed in their struggle to reverse the political tide, momentum now appears to be building toward a consensus that would drastically scale back the role of government originally proposed by Mr. Clinton.

International Herald Tribune

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Russia Is the Key

Poland, like other countries in Eastern Europe, is unhappy that it is not being offered a firm timetable for full membership in NATO. Bill Clinton was reminded of that when he visited last week. The Partnership for Peace — established in NATO to allay the insecurity of Russia's neighbors while not antagonizing Russia — still leaves the East Europeans uneasy. But President Clinton was wise to defer his decision. To include countries such as Poland now invites the redrawing of lines in Europe and the start of a second cold war.

The Partnership for Peace is two things: an effort to integrate Russia into the rest of Europe, not leave it out in the cold, by developing the rudiments of collective security; and a hedge against failure, and the revival of Russian imperialism, by preparing to expand the alliance eastward.

In its collective security aspect, it will involve all the partners in joint military planning and training for peacekeeping in the region. At least that will get all the region's armies in the habit of working with their neighbors. Partners like Poland can also prepare to become allies by familiarizing themselves with the alliance's military requirements and ways of operating while remedying their own deficiencies.

But closer partnership poses a contradiction: to expand NATO would alienate

Russia. That contradiction will come into play well before full membership becomes an issue, as East Europeans look to the West instead of to Russia to supply new arms. Perhaps the Russian military could be induced to engage in joint planning with the United States on common concerns like preventing nuclear and missile proliferation. Perhaps conversion will find other work for Russian arms suppliers. But these steps are unlikely to dissolve the contradiction.

One way out is to focus on changing the military cultures of all these countries, as NATO once did in Germany and Spain. That means going beyond the formalities of military partnership to impart democratic values like acceptance of civilian control. It also means keeping officers occupied professionally and out of politics. But Americans sympathetic to Eastern Europe are resisting funding for common military undertakings with Russia and pushing for premature alliance.

Military cooperation is a key to transforming Russia, which will make all of Europe more secure. Bolder leadership in the White House and the U.S. Congress will be needed, both to accomplish that delicate mission and to sell it to Russia's nervous neighbors.

—THE NEW YORK TIMES.

Betrayal in Nigeria

One year after Moshood Abiola apparently won Nigeria's democratic presidential election, only to watch as the military annulled the results, he is now facing charges that could send him to jail for life. His offense? He has decided to assume the office that was freely and fairly conveyed to him by the people. Nigerian military leaders, having never seen an election or popular civilian leader in 33 years of independence that they could stomach for very long, call Mr. Abiola's decision an act of treason. It is they, however, who have betrayed their country.

Each time a Nigerian military regime cuts down civilian rule, it is done with the promise of giving the people a new, improved and less fractious transition to democracy. True to form, the current crop of generals has been following that tired old script to the letter since snuffing out the latest experiment with democracy.

Two military regimes and one civilian puppet government have governed the country since June 1993, each promising another journey to the ballot box one day soon. Instead, what the soldiers have done is to take the people's rights and civil liberties from them. Their chosen leader is being held incommunicado, a judge's order to produce him in court is being ignored, human rights leaders, journalists and former legislators have been arrested and harassed for political reasons,

—THE WASHINGTON POST.

Backward in Venezuela

Venezuela, in the grip of a severe financial crisis, is trying to control it with methods that are making it dangerously worse. Last week President Rafael Caldera suspended a long list of constitutional guarantees — a necessity, he claimed, to combat the dark forces attempting to destroy the country's currency. He imposed controls on prices and foreign exchange in response to rising inflation. After a succession of bank failures, he took over the whole banking system. The security forces have been carrying out raids on retailers accused of hoarding. The police have begun interrogating the regime's critics.

The crisis has been caused by a kind of bad policy that is very familiar in the continent's history. Most of Latin America, recognizing that nationalist populism is a mistake, is now moving toward open economies and relatively free markets. Venezuela is the exception. The reasons have a lot to do with the country's traditions, and a lot to do with oil. In the years of high oil prices Venezuela has been able to afford the old ways of running the country. But prices have been down for several years, and the damage, beginning with failed banks, is cumulative.

The previous president, Carlos Andrés Pérez, tried to lead his country through the process that economists call adjust-

—THE WASHINGTON POST.

Other Comment

The Hive and the Honey Bear

American policy toward Eastern Europe is aimed at reconciling two seemingly incompatible goals: filling the security vacuum by gradually integrating Russia's former sphere of influence into the West, while cultivating improved relations with Moscow. In other words, holding up the shaky East European beehive while keeping the honey-hungry Russian bear con-

tented. Hence the West's refusal to accept the East European states as full members of NATO, at least for the time being, and symbolic gestures such as inviting Boris Yeltsin to attend the Group of Seven summit meeting. Unfortunately, whether that policy succeeds will depend on what kind of government eventually comes to power in Russia, something over which the West has little real influence.

—Neue Zürcher Zeitung (Zürich).

Japan Has Cause to Worry About Chinese Ambition

By Masashi Nishihara

TOKYO — China says it needs a peaceful environment to be strong and prosperous, yet Beijing seems to be pursuing contradictory policies. It wants to participate in multilateral economic and security arrangements in the Asia-Pacific region. At the same time, it is increasing its military power and trying to establish a militarily dominant position in Asia by taking advantage of the current situation when the United States and Russia have cut back their armed forces and defense budgets. One path is internationalist, the other nationalist.

China's self-confidence and assertiveness have increased in line with the rapid growth of its economy since market-oriented reforms were introduced in the late 1970s. Where is China heading? Will it become a hegemonic power, establishing a new regional order under its control by taking advantage of the upper hand it has over its neighbors in size and power?

Despite the fact that China and Japan have close ties in virtually all fields, their relationship remains essentially fragile. China is concerned about the rise of Japan as a political power which is now sending its troops overseas as part of United Nations peacekeeping operations and seeking a permanent seat in the UN Security Council. Meanwhile, Japan is becoming apprehensive about China's military buildup, particularly the naval modernization, its continued supply of

missiles to areas of potential conflict, and its testing of nuclear weapons.

Beijing fears that if economic and trade tensions between Japan and the United States intensify, Tokyo may pursue a foreign and defense policy independent of Washington. China appears to consider Japan as a major source of threat in the early 21st century. Beijing has been cautious about supporting Japan's bid for a permanent seat in the Security Council, for it would weaken China's influence in regional and global politics. This suggests that there is potential for Chinese-Japanese rivalry.

Tokyo is trying to check the Chinese military buildup by holding out the possibility of reducing its aid to China and by engaging in bilateral security talks to increase the level of military transparency. Japanese aid to China is being more carefully disbursed than before, so that it will not be used for projects, such as ports and other major infrastructure development, that have military implications. Instead, more aid is being channeled to such areas as reducing the acid rain content of Chinese coal-fired power plants.

There has been a pattern of China's behavior toward its Asian neighbors in the last few years — one that seeks to secure a superior position over them. It

can be seen in the asymmetrical levels of official visitors. Beijing tends to send lower-ranking government leaders to the region than the other East Asian states send to China. Beijing's strategic interest is to become strong and prosperous so as to assert its own interests in relations with other Asian states.

China appears to find it easier to handle Mongolia, North Korea, Vietnam, Cambodia, Laos and Burma than to handle other countries in the region.

The former are economically and militarily much weaker than China. Beijing can intimidate them with economic and military sanctions as it has done in the past. With wealthier, stronger or more distant East Asian nations, China cultivates cooperative links, hoping that these will serve to drive economic and political wedges between those countries and the United States. This does not mean that Beijing itself wants no cooperative relations with Washington. It is trying to build better relations with America. However, China also wants to minimize the possibility of having to compromise its own economic and security interests.

China's desire to secure a superior position over its neighbors has been reinforced by remarkable economic success and the absence of clear, united resistance from East Asian countries. As a result, Beijing's political self-confidence has been strengthened and it has behaved

more assertively with its neighbors in territorial and other disputes.

The region does not need a strong China. The evolution of the Chinese navy from a defensive coastal force into an offensive blue-water fleet would be destabilizing because it would change the balance of power in the Asia-Pacific region. This will happen if the Chinese economy continues to expand rapidly.

However, China's economic future is uncertain. If the reform program should run into serious difficulty, the Chinese leadership would probably have to slowdown the development of capabilities to project military power. This would be better for regional security.

China cannot expand its economic power at the expense of its economic welfare. It must remain fully engaged in the economic and political affairs of the Asia-Pacific region to ensure that the Chinese economy remains strong. Thus the Chinese leaders will learn the importance of continuous constructive engagement in regional peace and security. An economic slowdown in China may help this learning process.

The writer, a research director at the National Institute for Defense Studies in Tokyo, contributed this comment to the International Herald Tribune. His views are personal and do not necessarily represent those of the Japan Defense Agency, with which he is affiliated.

To China From Germany, a Lesson in Unrepressed Democracy

By Robert Elegant

BERLIN — The visit to Germany last week by Li Peng, China's prime minister, has cast much light on prospects for democracy in the two countries, both notable for failed attempts at liberal representative rule that led to harsh dictatorship.

Despite a small but raucous right wing, Germany has put its Nazi past behind and clearly established a working democracy that will be sustained into the future. But China is further from democracy than it was even 60 years ago.

Mr. Li tested the democratic will of the Germans — and it emerged triumphant.

The man responsible for ordering the massacre of pro-democracy demonstrators in Beijing just over five years ago is evidently allergic to public demonstrations. He curtailed his original program on three occasions in Germany and finally left the country earlier than planned because he was exposed to public heckling and the threat of such heckling.

The Chinese prime minister thus proved himself to be what the Germans call a *Mimose Ele-*

fant, someone who rides roughshod over others but is hyper-sensitive himself. And, as the German press reported with some satisfaction, he undoubtedly lost face by running away.

Not, of course, that anyone, even the most hardened politician, would be pleased by banners with slogans like these, in Chinese and German: "Overthrow the Chinese Communist Butcher!" and "Li Peng is a Mass Murderer."

The fact that the charges are completely accurate did not help make them more palatable. Neither did the fact that Li Peng crushed the Tiananmen protests with tanks and has subsequently conducted a witch-hunt against dissidents precisely to avoid seeing similar demonstrations in China.

The German government did nothing to halt the demonstrations. Officials stood aloof and neutral. Several even stressed that Germany does not engage in bloody suppression of dissent.

The temptation to quash the

demonstrators must nonetheless have been strong. Just coming out of a recession, Germany is counting on large sales to China to accelerate its recovery.

The impressive group of Chinese specialists in the German Foreign Ministry knows full well that Beijing does not separate politics and trade. To the contrary, it unabashedly uses its economic leverage as a potentially huge emerging market to attain political goals. It has done so, for example, with France, Britain and the Netherlands in the recent past.

It would not have been easy for an undoubted democratic Germany to silence the demonstrations against Mr. Li. It was nearly impossible to contain such suppression in the face of an aroused public. That virtual impossibility is, of course, the best proof that German democracy has come a long way from the past.

Li Peng and his advisers simply do not understand that the German government could do

little or nothing to keep him from being insulted in public. No matter how many times the concept and practice of free expression are explained to those autocrats of the left, they cannot grasp the principle.

It was doubtless undignified of Mr. Li to flee to Romania, whose ruler was a student in Moscow when he was also studying there. It would, however, in Chinese eyes and particularly in Chinese Communist eyes, have been even more undignified for him to submit meekly to public insults.

Regardless of what happens to Mr. Li, for whom so many Chinese wish nothing but sorrow, democracy has clearly not begun to take root in China. Mr. Li and his comrades are busily pulling up any shoots of green that may appear. To them, such shoots are "poisonous weeds."

Regardless of what happens to the Communist regime, which is by no means secure in power, the prospects for democracy in China are poor. Nor will increasing economic liberalization necessarily bring about political lib-

eralism, although it will lessen the burden of oppression that every Chinese still carries today.

There is no tradition of popular sovereignty in China. In a country of 1.2 billion people there is, however, traditional terror of *lun*, which translates best as "primeval chaos." Given the choice, most Chinese would opt for a kinder, gender government. Fearing *lun*, they would not necessarily want a democratic system but rather a strong government.

Mr. Li did not behave badly by his lights. He signed agreements with German companies for technical assistance and equipment worth an estimated \$1.5 billion. Nor did he storm at the protesters. "At least," commented a Berlin teacher wryly, "he didn't ask us to send tanks to shoot the demonstrators."

The writer, a novelist and former Asia correspondent, is a fellow at the Wissenschaftskolleg in Berlin (Institute of Advanced Studies in Berlin). He contributed this comment to the International Herald Tribune.

Let's Be Clear: Not One Europe but a New West and a New East

By Christoph Bertram

HAMBURG — Russia signed two agreements last month intended to cement its new relationship with the West: the "Partnership for Peace" with NATO and the "Partnership and Cooperation Agreement" with the European Union. Now it has taken part in the Group of Seven meeting of leading industrial nations at Naples.

Russian and Western leaders have hailed these events, once more, as the end of Russia's long isolation from the democratic West. And yet Europe is drifting apart, and all the wonderful warm words of partnership merely expose the new divide.

Russia's foreign minister, Andrei Kozyrev, stated the problem succinctly when he told *Itar-Tass*: "It is more difficult for an elephant like Russia to get through the door than for a small poodle."

Russia, in fact, does not fit into either of the Western institutions that have any substance of power today, NATO and the European Union. Both would collapse under the weight of the elephant. If

try, but their heart is no longer in it. In Brussels, Mr. Kozyrev accepted that sooner rather than later some of Russia's former Warsaw Pact allies would join the Western security club. He pleaded that the extension proceed with care, since the Russian population needed convincing that the alliance was not planning a triumphal march eastward.

So it is time to face the facts. There will be no overarching, all-encompassing security system in Europe. NATO will not melt into a CSCE spanning from Vladivostok to Vancouver.

Instead, two separate groups are emerging.

The European Union and NATO are gradually incorporating Eastern Europe, including the Baltic states. At the same time, a cluster of former Soviet republics is taking shape around Russia. The central challenge of European security is how to make sure that the dividing line between the two groupings will not become,

In the run-up to the various Partnership signing ceremonies, Boris Yeltsin no longer pushed for Russian membership but instead tried to subject these institutions to a European superstructure, the Conference on Security and Cooperation in Europe, in which Moscow would have a blocking vote. The Russians will continue to

gust with excessive taxation and intrusion into personal and business life by the bureaucratic federal government. It wants to put an end to excessive government spending and arrogant ruling-class aristocracy. It is sickened by political dishonesty and corruption.

It has had it with welfare fraud and the invasion of illegal immigration eating up tax dollars. It is fed up with the coddling of criminals, the distorted justice system, the lockstep sameness of the saloony media and the dumbing of America's children. It is no longer intimidated by the immorality of political correctness.

It feels that an insidious war is being waged against the average hardworking, law-abiding American citizen, draining the middle class of its wealth and lifeblood.

Unreasonable? Naïve? Half-baked? Perhaps. But very, very real, and very much here to stay.

Solidifying my colleagues in St. Louis, Mr. Clinton said: "I'm going to be aggressive from here on in. I'm going to tell what I know the truth to be." Is that a threat or a promise?

We are hearing the faint voice of a movement that is disgusted with the kind of president: the system continues to serve up.

The voice of talk radio is dis-

once again, a line of confrontation.

By implying that any differences can be overcome by vague partnership rhetoric, the West is fooling itself as well as Russia. Afraid to admit the truth, Western governments will cling to ambiguity. But ambiguity has ceased to be creative; it has become counterproductive. By pretending that somehow Russia can still become a full member of the Western club, the West leaves both Russia and the East European democracies in the dark about their future status in Europe.

The proper response to Russia's inability to fit into any of the existing institutions is not to make believe that somehow it can be squeezed in but rather to create a new one, specifically designed to coordinate policies and preempt crises between the new West and the new East. This would have to consist of much more than the biannual meetings envisaged by the Russian-EU agreement of the vaporous consultation pledge given by NATO in the Partnership for Peace.

It should consist of a formal structure, the more formal the better, between NATO and Russia, with a secretary, permanent representatives, hot lines and even parliamentary bodies — everything that can ensure day-to-day dialogue and consultation. It does not give neither side a veto over what the other one wants to do, but it would translate NATO's apt formula "No veto, no surprise" into credible practice.

Whoever the future leaders of Russia may be, it is important to establish now, while the present team still holds power in Mos-

cow, habits that can survive them.

To give up the dream of "one Europe whole and free" does not mean to forgo the right to hold Russia to established rules within its sphere of influence. On the contrary, but Russia can be held to these rules only if the West itself is serious about them.

The current practice of warning Russia not to intervene in the "near abroad" while at the same time turning down requests for sending monitoring troops to the many trouble spots in the region is a dismal example of Western inconsistency.

The West's authority in the new European security setup will depend not on its sermons but on its deeds. Preaching without following through signals to Moscow that the West really cares neither for Russia nor for how Russia conducts itself in what was once the Soviet Union.

When the walls came down in Europe five years ago, the way ahead was obscure. It was wise then for the West to temporize. Today the basic trends are becoming visible, and they can no longer be camouflaged by convenient ambiguities.

There is now a historic chance and need to build the future of European security on a sound basis. That takes realism as well as vision, clarity of purpose as well as a sense of responsibility. Too little of these qualities, unfortunately, is in evidence in Western chanceries today.

The writer is diplomatic correspondent of the German newspaper *Die Zeit*. He contributed this comment to The Washington Post.

BUSINESS

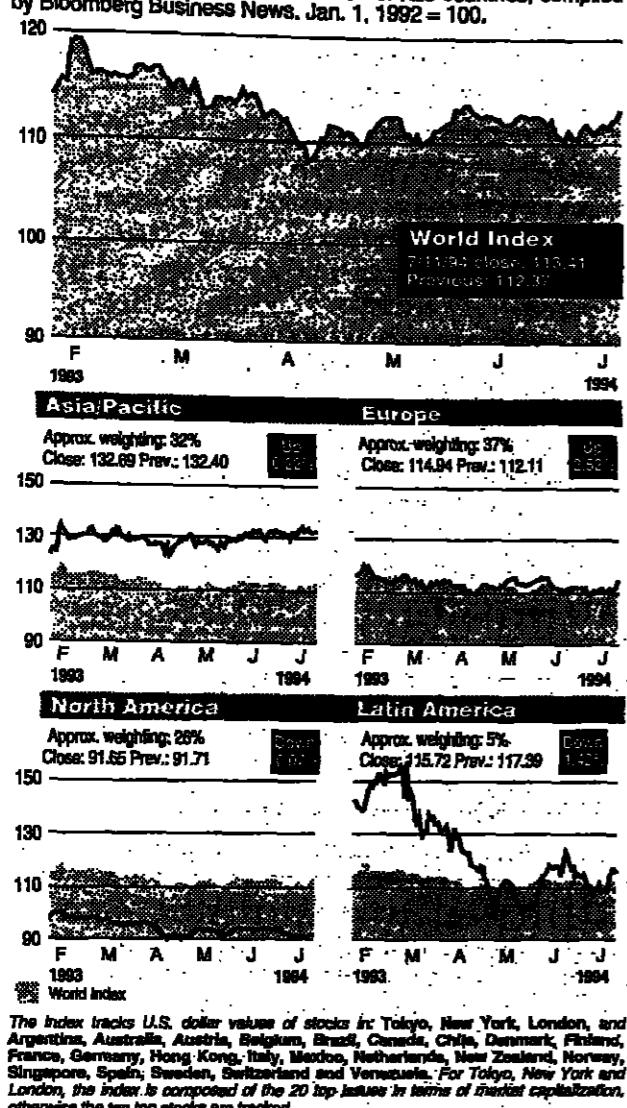
International Herald Tribune, Tuesday, July 12, 1994

Page 7



THE TRIB INDEX: 113.41

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The Index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Paris, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization; otherwise the ten top stocks are tracked.

Industrial Sectors		Mon.	Prev.	%	Mon.	Prev.	%
		close	close	change	close	close	change
Energy	111.26	107.37	+3.84	Capital Goods	113.18	112.47	+0.63
Utilities	121.27	120.17	+0.92	New Materials	125.49	124.29	+0.97
Finance	118.76	118.30	+0.39	Consumer Goods	98.78	98.82	+0.07
Services	118.89	118.34	+0.45	Miscellaneous	124.21	122.31	+1.96

For more information about the index, a booklet is available free of charge. Write to TRIB Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

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Eli Lilly To Pay \$4 Billion For PCS

Compiled by Our Staff From Dispatches

INDIANAPOLIS — Eli Lilly & Co. said Monday it would buy PCS Health Systems Inc. from McKesson Corp. for \$4 billion in cash.

The move by Lilly, one of the largest U.S. pharmaceutical companies, is a step in the rapid consolidation of the industries that make and deliver drugs to consumers.

PCS, known as a pharmacy benefit management company, handles prescription drug benefits for about 50 million people. Companies like PCS are hired by corporations and health-care providers to process prescription claims, negotiate discounts with drug companies and monitor how doctors prescribe medicine.

Randall Tobias, the chairman of Lilly, said the deal would be Lilly's largest acquisition to date.

The agreement, called for McKesson shareholders to receive \$3.4 billion cash, or \$76 a share, for their McKesson stock. The remaining \$600 million will be pumped into a new McKesson company that will include all assets except PCS.

Current McKesson shareholders will be able to exchange each of the current shares for a share in the new company.

The new McKesson would consist of McKesson's wholesale drug operation, McKesson Distribution Services, McKesson Water Products and 57 percent stake in Armor All Products Corp.

McKesson investors greeted the deal by sending the shares up \$24.75, to \$98, on the New York Stock Exchange.

Lilly shares closed down \$7.375 at \$50. The two topped the NYSE's most-active list.

Lilly plans to pay for the purchase by issuing debt and raising money from previously disclosed plans to sell its medical devices and tests unit.

(AP, Bloomberg)

QVC, CBS and Disney?

By Geraldine Fabrikant
with Bernard Weinraub
New York Times Service

NEW YORK — When the boards of CBS Inc. and QVC Network Inc. meet Tuesday and Wednesday to vote on a merger of the two companies, Wall Street executives say, the Walt Disney Co. may emerge as a wild card in the deal.

Ever since the merger announcement nearly two weeks ago — and even before — many people in the television industry have been looking at Disney as a logical fit with a broadcast network.

CBS has been at the center of speculation about Disney because the network has been in play, and because its lack of a cable television connection and its loss of professional football to Fox have been seen as major liabilities.

"People think Disney might jump in because Disney has forged a network outlet for a long time and has the expertise to manage a network," said Harold Vogel, a media analyst who follows Disney for Merrill Lynch & Co. "This is relatively easy way to get into both cable and network."

Why Disney?

Even though it may be better known for its theme parks and movies, Disney is a leading producer of network programming, including ABC's "Home Improvement," the most popular series on American television this season. But like other independent programmers, Disney may soon find itself at a disadvantage because federal rules are rapidly changing to let the networks produce and distribute more of the programs they broadcast.

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(AP, Bloomberg)

Rumors have been circulating in the entertainment industry that Disney may be about to strike some sort of network partnership. Executives at CBS and QVC have denied the talk, and Disney executives have refused to comment on whether the company is planning a strategic move into broadcasting.

But many in the industry think there is a strong rationale for an alliance between Disney and a network.

Getting shows onto the networks is a dicey business for producers, and it is getting harder. The networks, once denied the right to produce and syndicate their own programs, have in recent years been unshackled by the Federal Communications Commission. By November 1995, they will be able not only to produce programs but also to sell rerun rights in the syndication market in the United States.

The networks are also increasing in-house production, which could make it more difficult for companies such as Disney to get their own shows on air.

Big-Time Lobbying

Disney spent more than \$444,000 on lobbying to win a \$163 million subsidy for its proposed theme park from the Virginia Legislature. According to disclosure forms released Friday, Disney paid out as much money for lobbying in Richmond in the last year as the next five biggest spenders combined. The company spent four times as much as the main opponent of its park, the Piedmont Environmental Council, whose spending totaled about \$106,000.

Another Round Of Commodity Price Jumps

Coffee Climbs On Brazil Frost

Reuters

LONDON — Coffee prices surged on Monday to their highest level in eight and a half years after frosts threatened to wipe out half of Brazil's crop, the world's largest.

But producers, instead of rejoicing, were worried that consumers would balk at paying more when retail prices rise and would switch to other drinks.

News that the second frost in two weeks had hit Brazil's major coffee-growing areas sent prices on the London futures market at one stage more than \$900 a ton higher, to \$4,000 for delivery in September, the highest quote since early 1992.

"I am naturally concerned about this news and the impact it will have on the market," said

See COFFEE, Page 8

Aluminum Soars To New Highs

Reuters

LONDON — The price of aluminum, one of world's most widely used metals, jumped to fresh highs Monday with traders convinced that growing demand was finally cutting into a mountain of stock.

Prices on the London Metal Exchange rose \$15 a ton to \$1,549 for delivery in three

months, the highest price since early 1991. Traders said \$1,600 was the next target. Spot aluminum rose to \$1,523.50 a ton from \$1,512.

Prices now stand 50 percent above last autumn's eight-year lows, when a recession-battered market had more metal than it could use. Extra metal was also coming from Russia, which faced with the evaporation of domestic demand, exported hundreds of thousands of tons.

But the world's major producers earlier this year agreed to cut back their output to try to help prices which in many cases had fallen below the cost of production.

"It is all coming good at the moment — stocks are down, people need metal, and they can't get hold of it where they want it," one dealer said.

The International Primary Aluminum Institute said total stocks in May fell 64,000 tons, to 3.58 million, down 3.7 percent from its February peak.

A clear sign of the growing demand for aluminum, analysts say, is rising prices for delivery of the metal in the near-term, which in some cases are now higher than prices for more distant delivery dates.

Kim's Death Puts Markets on Edge

By Steven Brill
International Herald Tribune

SEOUL — Rumors of North Korean leader Kim Il Sung's demise have swept through the South Korean bourse dozens of times in the past decade, invariably sending the index higher on the view that reunification of the peninsula would be a plus for South Korea's economy.

But on Monday morning, in the stock market's first reaction to the news that Mr. Kim had died last week, shares plummeted. The consensus now is that political turmoil north of the border could pose major risks for South Korea, including a sudden reunification that would deal an economic blow

like the one borne by Germany after its reunification.

Still, after an initial plunge of more than 2 percent, the Korea Composite Stock Price Index steadily recovered and closed Monday's session just 7.54 points lower, at 948.84, in active trading.

The modest decline underscored growing confidence among South Korean investors that North Korea would make a smooth transfer of power, most likely to Kim Jong Il, the eldest son of Mr. Kim.

The market's tone also reflected the timing of the news of Kim Il Sung's death on Friday, which was announced here on Saturday, just after the stock

market had gained 7.42 points in a half-day session. During the interval, there were indications that Kim Jong Il was consolidating power and that Seoul's response was swift and collected.

"It was very well-timed," said James Osborne, head of research at W.I. Carr in Seoul. "Kim Il Sung must have had the interests of the stock market in mind."

The market's tone also underscored the momentum of a rally, which has made Seoul's bourse among the most dynamic in Asia. Over the past two years, the main index has more than doubled, and many think it could rise 25 percent more before the end of this year.

Powering the advance is a South Korean economy that has regained its famed vigor: gross national product jumped 8.8 percent in the first quarter — the highest rate since 1991.

Many economists expect growth for the full year to reach 8 percent, a sharp improvement from last year's 5.6 percent.

The strong yen is the biggest reason for the surge. Industries in which South Korea competes head-to-head against Japan — notably electronics and electrical machinery, cars and ships, steel and petrochemicals — suddenly have become very price competitive. Exports

See KOREA, Page 9

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Finland	F.M.	2,400	1,400	700
France	F.F.	1,550	950	550
Germany*	D.M.	700	350	210
Great Britain	P.L.	210	120	85
Greece	Dr.	75,000	41,000	22,000
Ireland	I.E.	230	130	65
Luxembourg	L. Fr.	14,000	7,700	4,200
Netherlands	P.L.	770	450	220
Norway	N.Kr.	3,500	2,100	1,050
Portugal	Esc.	47,000	28,000	14,000
Spain	Pts.	48,000	24,000	14,500
- hand delivery	Pts.	55,000	33,000	14,500
Sweden (normal)	S.Kr.	3,100	1,800	900
- hand delivery	S.Kr.	3,500	2,000	1,000
Switzerland	S.F.	510	300	150
Rest of Europe ex G.D.	S.	685	335	145
CB, N. Am., Japan				
French Asian, Middle East	S.	650	345	180
Gulf States, Asia, Central and South America	S.	700	420	225
Other Countries	S.	900	450	225

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MARKET DIARY

Bonds and Dollar Weigh on Shares

Bloomberg Business News

NEW YORK — U.S. stocks fell for the first time in three days, tracking losses in bonds and the dollar, as signs of rising interest rates overwhelmed optimism about second-quarter earnings.

A slump in drug shares, led by Eli Lilly & Co., paced the stock market's retreat.

"Stocks and bonds are running in tandem," said Robert von Pentz, chief investment officer.

U.S. Stocks

Fierc at Rigg's Investment Management Corp. "That probably means the ability for earnings to impact the direction of the stock market is far more muted than the ability of interest rates."

As interest rates rise, cash equivalents such as Treasury bills become more competitive with stocks. Higher rates also raise corporate borrowing costs and diminish earnings.

The Dow Jones industrial average, which fell as much as 28.49 points, pared its losses to close down 6.15 points, at 3,702.99.

Eleven stocks fell for every nine that rose on the New York Stock Exchange. Trading was moderate, with about 222.29 million shares changing hands.

DOLLAR: No Bottom in Sight

Continued from Page 1 than one analyst recalled the dramatic turn engineered by Paul A. Volcker in 1979 when as Fed chairman he deliberately shocked markets into recognizing he would let interest rates go sky high to end inflation.

"Things are nowhere near that bad, but the first law of holes when you get into one is to stop digging," said Geoffrey New, who runs his own New York

Foreign Exchange

consulting firm and is executive secretary of the Group of 30, a bankers' study group.

"The U.S. now is competing for capital with other nations. The Fed has to stop these mealy-mouthed quarter-point moves and get rates up," he said, adding that only then would interest in the Treasury bond market be rekindled.

The price of the benchmark 30-year Treasury bond fell Monday, losing 10/32 point, to \$93. That raised its yield to 7.72 percent from 7.69 percent.

Nicholas Sargent of Pruden-

ton on the Big Board, down from 233.62 million on Friday.

Stocks fell as the yield on the Treasury's benchmark 30-year bond jumped five basis points, to 7.75 percent, and the dollar is weakening, foreign investors are likely to avoid U.S. bonds for fear of already losses.

Bonds already unloved by the stronger-than-expected employment figures on Friday, fell amid nervousness about this week's reports on wholesale prices, consumer prices and retail sales that might signal more inflation and higher interest rates.

Semiconductor stocks rose for a second day amid expectations that an industry report set for release soon would show that new chip orders outstripped product shipments in June.

Asante Technologies Inc. closed down 24/4, to 5.75, a 52-week low of 4/4, after the maker of computer-networking accessories posted a third-quarter loss of 3 cents a share, compared with earnings of six cents a year ago.

Bausch & Lomb fell 1/4 to 35¢. The maker of contact lenses said earnings for the second quarter fell to 53 cents a share from 55 cents a year ago.

The Dow

Declining of the Dow Jones Industrial average

July 11

Source: Associated Press

Open High Low Last Chg.

Index 2718.52 2719.20 2702.99 -1.15

Trn 1462.50 1504.07 1517.81 1521.00 +1.21

Comp. 1292.34 1292.54 1287.77 -2.71

Standard & Poor's Indexes

High Low Close Change

Industrials 524.25 518.32 522.84 -1.45

Trans. 328.25 328.50 328.75 +0.50

Finance 443.47 441.19 442.62 -0.79

SP 500 420.55 422.47 424.54 -1.97

S&P 100 414.00 412.00 412.22 -1.99

NYSE Indexes

High Low Last Chg.

Composite 246.42 246.63 247.23 +0.61

Industrials 204.25 203.25 203.23 -0.98

Utility 204.57 203.70 203.70 +0.13

Finance 210.47 209.76 209.76 +0.16

AMEX Indexes

High Low Last Chg.

Lily 427.01 337.45 329.50 -7.74

McKee 361.21 359.00 354.00 -5.24

Olegan 229.01 217.00 217.00 -1.00

Ford 212.01 207.50 207.50 -4.50

Pfizer 191.14 187.00 187.00 -4.14

Teva 180.64 178.00 178.00 -2.66

Merck 179.00 177.00 177.00 -2.00

March 177.00 175.00 175.00 -2.00

StarTech 176.02 174.74 174.74 -1.28

Sorolla 166.97 175.00 174.00 -1.00

Pfizer 165.00 170.00 170.00 -5.00

NYSE Most Actives

Vol. High Low Last Chg.

Lily 427.01 337.45 329.50 -7.74

McKee 361.21 359.00 354.00 -5.24

Olegan 229.01 217.00 217.00 -1.00

Ford 212.01 207.50 207.50 -4.50

Pfizer 191.14 187.00 187.00 -4.14

Teva 180.64 178.00 178.00 -2.66

Merck 179.00 177.00 177.00 -2.00

March 177.00 175.00 175.00 -2.00

StarTech 176.02 174.74 174.74 -1.28

Sorolla 166.97 175.00 174.00 -1.00

Pfizer 165.00 170.00 170.00 -5.00

AMEX Most Actives

Vol. High Low Last Chg.

EchoBoy 126.00 117.00 116.00 -1.50

Tron 415.01 412.00 412.00 -3.01

Chevron 306.00 301.00 301.00 -5.00

Pfizer 292.00 287.00 287.00 -5.00

Merck 281.00 276.00 276.00 -5.00

March 279.00 274.00 274.00 -5.00

StarTech 278.00 273.00 273.00 -5.00

Sorolla 277.00 272.00 272.00 -5.00

Pfizer 276.00 271.00 271.00 -5.00

NYSE Diary

Class Prev.

Advanced 1019 1012 1014 -1.00

Declined 445 445 445 -0.00

Unchanged 262 262 262 -0.00

New Highs 26 26 26 -0.00

New Lows 71 71 71 -0.00

AMEX Diary

Class Prev.

Advanced 302 302 302 -0.00

Declined 244 244 244 -0.00

Unchanged 99 99 99 -0.00

New Highs 35 35 35 -0.00

New Lows 22 22 22 -0.00

Spot Commodities

Commodity Today Prev.

GASOLINE (1PE) 142.95 142.95 +1.25

COKE, BZG 1.50 1.50 +0.00

COPPER, ELECTRIC, IR 212.00 212.00 +1.25

LEAD, LIQ 0.35 0.34 -0.01

LIQUID NATURAL GAS 122.00 122.00 +0.00

TIN, LIQ 1.00 1.00 +0.00

WORLDRATE 1.00 1.00 +0.00

WORLD GOLD 142.00 142.00 +1.25

WORLD OIL 142.00 142.00 +1.25

WORLD PLATINUM 142.00 142.00 +1.25

WORLD RUTHENIUM 142.00 142.00 +1.25

WORLD SILVER 142.00 142.00 +1.25

WORLD TITANIUM 142.00 142.00 +1.25

WORLD ZINC 142.00 142.00 +1.25

WORLD ZIRCONIUM 142.00

Ranks Takeover Increases Profit For Tomkins

Bloomberg Business News

LONDON — Tomkins PLC said Monday that its pretax profit, boosted by the acquisition of the food company Ranks Hovis McDougall PLC, had surged 50 percent in the year ended May 1.

The British conglomerate, whose products range from Smith & Wesson handguns to Murray bicycles, posted earnings of £257.1 million (\$395 million), up from £171 million a year earlier.

Tomkins said the increase in pretax profit reflects its policy of acquiring troubled businesses at a discount and bolstering margins by cost-cutting and capital investment. Greg Hutchings, the company's chief executive, said this policy had helped Tomkins outperform the market.

If the contribution to earnings from Ranks Hovis McDougall is subtracted, Tomkins' pretax profit increased by 14 percent, to £130.6 million.

The company said it would pay a dividend for the second half of 4.545 pence per share, making the dividend for the full year amount to 7.38 pence, up 16 percent from a year earlier.

The company said it had increased its dividend by more than 10 percent every year for the past 12 years and "we remain committed to this progressive policy." Shareholders will also be offered the opportunity to

receive new Tomkins shares instead of the cash dividend.

"We continue to benefit from growth in the U.S. economy, while in the U.K. signs of recovery are becoming clearer," said Mr. Hutchings. "The market background is improving, albeit slowly and unevenly, while our order books, in the aggregate, are well ahead of the same period last year."

Mr. Hutchings said Tomkins would continue to make acquisitions but that no major purchase would be made in its existing product lines. He said he considered any deal of more than \$400 million as a "major" acquisition.

"The cash surplus means that we can gear up for an acquisition very easily, but we will use a major acquisition to broaden our product range," said Mr. Hutchings. The company ended the year with a cash surplus of £156 million, despite the acquisition of two businesses from Canada's Noma Industries Ltd. for \$42 million.

Tomkins has completed the first stage of a three-year cost-cutting and reorganization program at Ranks Hovis McDougall. As part of the job-cutting program the company reduced Ranks Hovis McDougall's staff by about 3,000 employees, to 24,000. The company said there would be more job cuts, but was unable to be more specific.

Has SEAT Been Saved?

Compiled by Our Staff From Dispatches

MADRID — Spain's agreement to help bail out Volkswagen AG's troubled SEAT unit is a case study, say some analysts, in how to squeeze a government.

After six months of haggling, VW President Ferdinand Piëch and Spanish Minister of Industry and Energy Juan Manuel Eguiañez hammered out the accord, under which the Spanish government will spend 30 billion pesetas (\$230 million), ostensibly to fund research and development projects at SEAT.

For Spain, which maintained throughout the talks that it would not give SEAT direct subsidies or help finance layoffs, the tariff was the price necessary to ensure the company's survival as an independent brand, after repeated threats by the Germans to turn it into a VW production line.

For Volkswagen, the package is a way of recouping a fraction of SEAT's \$1.1 billion in 1993 losses, which allowed it to save face and VW to save money. "It was just a way of disguising the subsidy," said Simon Rosado, secretary general of the metals federation of Comisiones Obreras, one of Spain's principal labor unions.

The deal was to be signed Monday night.

chasing chief, José Ignacio López de Arriortua, said the accord would be a help but not enough in itself.

"The company has some very competitive products, and the deal is a big help, but the important thing is a fundamental change that must take place within the company."

Mr. López de Arriortua, speaking at a university seminar, said SEAT must direct its attention more towards client satisfaction, improving the quality of its products and the service it provides.

In addition to the 30 billion pesetas from Madrid, SEAT will receive 8 billion pesetas from the government of Catalonia, the autonomous region in which SEAT and its workforce are located. That support that might have disappeared if SEAT did.

The decision that Spain would finance research and development, among claim, is a gambit that allowed Spain to save face and VW to save money. "It was just a way of disguising the subsidy," said Simon Rosado, secretary general of the metals federation of Comisiones Obreras, one of Spain's principal labor unions.

Meanwhile, the Volkswagen production and pur-

New Chief Of Finance Opposes Dual Rands

Knight-Ridder

JOHANNESBURG — Chris Liebenberg, who is to take over as finance minister of South Africa in October, said Monday he would try to reduce the country's budget deficit and move away from the country's dual-currency system.

"South Africa has been so successful in re-entering the world political arena, and now we must also get back into the financial world arena successfully," Mr. Liebenberg said. "We must do this by achieving what the international markets and agencies see as reasonable and fair."

He said the budget deficit had to be cut in order for the country's Reconstruction and Development Program — its post-apartheid blueprint — to work. The deficit for 1994-95 is forecast to be 6.6 percent of gross domestic product.

"All of us have agreed it's got to be a lost lower, so the focus will be still on less government consumption," he said.

The International Monetary Fund has accepted South Africa's current budget deficit level but has urged the country to push it toward the more respectable level of 3 percent of GDP.

South African officials have said they were concerned a high budget deficit would propel inflation.

Mr. Liebenberg also strongly criticized the dual-currency system, which has been in place since 1990, and said abolishing the system would be studied.

"Ultimately, we have to have a unitary currency and fiscal controls that are accepted as the norm by international players," he said. "You want to do that to enhance investment rather than to present an opportunity for you to withdraw your money."

The company said it expected to double sales in Eastern Europe and the former Soviet Union by next year. In the current financial year, new orders in the region were expected to exceed 2 billion DM, or about 5 percent of the company's foreign business.

With 70 Siemens subsidiaries and more than 13,000 employees throughout the region, the company already is well established but faces formidable obstacles to further expansion in many countries in the region, Mr. von Pierer said.

Siemens' share price reacted little to the news, edging up 5 pfennig, to 655 DM.

Mr. von Pierer said that Germany's economic recovery was not expected to boost Siemens' earnings until the 1994-1995 financial year. "We know that electrical engineering and electronics are always at the end of the business cycle."

Mr. von Pierer said that the costs of shutting a nuclear fuel plant in Hanau had weighed on earnings this year but that the semiconductor business was making a profit for the first time in a decade and was expected to finish the financial year in the black.

The company said it expected to double sales in Eastern Europe and the former Soviet Union by next year. In the current financial year, new orders in the region were expected to exceed 2 billion DM, or about 5 percent of the company's foreign business.

With 70 Siemens subsidiaries and more than 13,000 employees throughout the region, the company already is well established but faces formidable obstacles to further expansion in many countries in the region, Mr. von Pierer said.

Investor's Europe

Frankfurt	DAX	London	FTSE 100 index	Paris	CAC 40
2300	1400	2400	2400	2400	2400
2200	1300	2200	2200	2200	2200
2100	1200	2100	2100	2100	2100
2000	1100	2000	2000	2000	2000
1900	1000	1900	1900	1900	1900
1800	900	1800	1800	1800	1800
1700	800	1700	1700	1700	1700
1600	700	1600	1600	1600	1600
1500	600	1500	1500	1500	1500
1400	500	1400	1400	1400	1400
1300	400	1300	1300	1300	1300
1200	300	1200	1200	1200	1200
1100	200	1100	1100	1100	1100
1000	100	1000	1000	1000	1000
900	100	900	900	900	900
800	100	800	800	800	800
700	100	700	700	700	700
600	100	600	600	600	600
500	100	500	500	500	500
400	100	400	400	400	400
300	100	300	300	300	300
200	100	200	200	200	200
100	100	100	100	100	100
0	0	0	0	0	0

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

- Bayerische Motoren Werke AG has established a subsidiary in Mexico, called BMW Mexico SA de CV, that will take over the service and sales activities of Grupo Bavaria.
- Soros Fund Management has sold its entire stake of about 2.5 million shares in Berkeley Group PLC.
- Villeroy & Boch AG, the German bathroom fixtures maker, said sales fell 2.8 percent in the first six months of the year as the company sharply cut back its ceramic-tile offerings.
- Qatar is bidding for the extension and modernization of one of its oil refineries; the project is expected to cost between \$400 million and \$500 million.
- Nordit Matra Cellular, a joint venture between Northern Telecom Ltd. and Legardre Groupe, has won a contract worth 500 million French francs (\$92 million) to supply a cellular network to Taiwan.

Reuters, AFX, Bloomberg, AFP

Virgin Joins Eurotunnel Bid

Compiled by Our Staff From Dispatches

PARIS — Virgin Group has joined a consortium that is bidding to design, build and operate the high-speed rail link between London and the Channel Tunnel and to operate services from London to Paris and Brussels, the company said.

London & Continental Railways is one of four groups planning to bid for the \$2.7 billion (\$4 billion) franchise. Its members include Bechtel Group, the U.S. construction company; S.G. Warburg & Co., the investment firm; the National Express bus operator; Sofretil, a French rail consultancy; Ove Arup & Partners, an engineering consultancy; and Blue Circle Industries PLC, the cement maker. Passenger service on the train linking Paris to London is to begin in October.

Will Whittemore, a Virgin spokesman, said Virgin would seek to introduce to the train services the same sort of marketing devices that it employs on Virgin Atlantic Airlines, including on-board entertainment, special corporate rates and frequent-traveler programs.

(Bloomberg, Reuters)

KOREA: Kim's Death Dents the Rally in Korea's Stock Market

Continued from Page 7

these sectors, which comprise about 60 percent of South Korea's total, jumped 14.6 percent in the first quarter of 1994, according to Jardine Fleming Securities. The economy also has benefited from strong demand from the United States, Europe and other regions.

If anything, the risk now is that South Korea's economy might overheat next year, boosting inflation and interest rates and undermining the stock market's climb.

To be sure, the South Korean market remains among the riskiest in the world. North Korea is among the most isolated countries in the world, there is little hard information on Kim Jong Il, and it is impossible to rule out the prospect of political collapse and civil war, possibly nuclear.

Most of the selling on Monday came from individuals, whose share of the market has been in steady decline in recent years. Domestic and foreign institutions, in contrast, appear to accept the government's expectation of community in economic policies that have allowed South Korean businessmen to visit the north and engage in limited trade and investment.

"There's no real basis for predicting that the policy that the new leadership will pursue will

be radically different," Foreign Minister Han Sung Joo of South Korea said Monday.

Foreign analysts said declines on the Korean stock market could provide a good opportunity to buy shares. The Finance Ministry restricts foreign ownership to 10 percent of most issues, but it has indicated it will raise this limit in two stages to 15 percent by the middle of 1995.

The increase could lower the premium for foreign investors now pay to acquire shares of companies traded on an informal telephone market. The most attractive issues, such as Pohang Iron

& Steel Co. and Samsung Electronics, are trading at premiums of 20 percent to 30 percent.

While Korea Mobile Telecom has reached a premium of as high as 90 percent, analysts said.

But the benefits of the higher

limits to foreign investors may be illusory because the Finance Ministry plans to give a "warning period" before the ratio is increased. "The purpose," one foreign analyst said, "is to allow domestic institutions to bid up shares and fleece the foreigners."

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PARIBAS ADMINISTRATEUR POOR B.V. Amsterdam, 7 July 1994.

MARGINED FOREIGN EXCHANGE TRADING

NYSE

Monday's Closing
 Tables include the nationwide prices up to
 the closing on Wall Street and do not reflect
 late trades elsewhere. Via The Associated Press

(Continued)

12 Month
High Low Stock DIV Yld PE EPS High Low Last Chg/12 Month
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**Smooth as silk is 50 flights a week from
 11 European cities to Bangkok and on to more
 destinations in Asia than any other airline.**

12 Month
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Australia Dollar Halves Profit At Alcoa Unit

Compiled by Our Staff From Dispatches

MELBOURNE — Weak prices and a strengthening Australian dollar combined to slash first-half profit by 50 percent at Alcoa of Australia Ltd., the world's leading producer of aluminum, the company said Monday.

Although Alcoa predicted an eventual improvement in its profitability, it said the remainder of the year would be difficult. The aluminum industry has been suffering from oversupply, but rising demand linked to improving world economies and an international agreement to reduce supplies are expected to boost profitability.

Alcoa said its profit in the first half fell 52 percent, to 124.7 million Australian dollars (\$91 million) from 258.4 million in the first six months of 1993, when earnings were boosted by a 59.7 million dollar gain related to reduced tax rates.

Profit excluding one-time gains fell by 37 percent in the latest period as sales fell 9.825 million dollars from 1.07 billion.

The reduced profit was due mainly to lower U.S. dollar prices for the company's products and lower sales volumes for aluminum and gold. A strong Australian dollar, which reduces revenue expressed in the local currency, also had an adverse impact, the company said.

Alcoa of Australia is 51 percent-owned by Aluminum Co. of America, while Western Mining Corp. Holdings Ltd. currently holds 48.25 percent. Under an agreement announced last week, Western Mining and Alcoa will merge their worldwide alumina operations. That combination will include the transfer of a 9 percent stake in Alcoa of Australia to its U.S. parent from Western Mining.

Alumina is a powder refined from the mineral bauxite. It is processed into aluminum. In London, the International

Primary Aluminum Institute said Monday that stockpiles of aluminum in the industrialized countries fell to 3,580 million metric tons from 3,644 million tons in April. Supplies have been falling since early this year, when producers agreed to reduce output by about 10 percent.

On the London Metals Exchange, spot aluminum ended at \$1,512.50 per ton, up from \$1,512 on Friday. The metal ended last year at \$1,108.50 and was about \$1,240 a year ago.

Meanwhile, the Australian dollar is now worth about 73 U.S. cents, up from 68 cents at the end of last year.

Alcoa of Australia also produces gold. It said its output fell to 57,143 ounces in the latest six-month period from 70,409 in the similar 1993 span.

(Bloomberg, AFX, Reuters)

Players Merger To Counter Bid

Reuters

SYDNEY — In an effort to quash a hostile takeover bid, Players Group Ltd. said Monday it would merge with Lanes Biscuits Pty. of New Zealand.

The Singapore-based Jack Cilia MPH Ltd. has submitted a bid for Players that values the company at 20.12 million Australian dollars (\$15 million), or 85 cents a share. Peter McGovern, the chairman of Players, said the merger should end Jack Cilia's quest.

The new company will be the second-largest cookie maker in Australia, behind Arnotts Ltd., and will have annual sales of more than 100 million Australian dollars. Gary Lane, chairman of Lanes, is to be chairman of the merged company and have an interest in 56.3 percent. The Player family and its associates will own 12.8 percent.

In London, the International

JVC Says Goodbye to Hollywood

Electronics Company Shuns the Risks of Making Movies

Bloomberg Business News

TOKYO — Five years ago, Victor Co. of Japan led a charge by Japanese electronics makers into the glamorous world of movies when it earmarked \$100 million to set up a Hollywood production and distribution company.

Now, Victor, a video equipment maker better known as JVC, has quietly slipped out of the director's chair. Instead of making films, it is just distributing them.

JVC, trying to return to the black after two consecutive years of losses, reorganized its Hollywood strategy after judging that the costs and risks involved in making movies were too high.

The decision reflects the difficulties faced by Japan's electronics companies in the competitive world of motion pictures. JVC's California subsidiary, Largo Entertainment, had successes like "Unlawful Entry" and "Point Break." But the Japanese parent wanted to find a surer way of making money in Hollywood.

"Making films is the most risky part of the movie business, because you don't know if you will wind up with a good product until you're actually done with it," said Ryonichi Asada, a JVC spokesman.

JVC's consolidated net loss widened to 26.8 billion yen (\$27.2 million) in the year ended March 31 from 25.5 billion yen the previous year. The company said in May that it hopes to break even this year.

As a result of the reorganization, Largo no longer distributes movies in the massive North American market, concentrating instead on distribution rights

for films in international markets, including Japan.

"Distribution carries a small risk, because you make a decision on whether to go with a movie after you've actually seen it," Mr. Asada said.

Mr. Asada added that JVC's retreat from distribution in North America was tied to its decision to stop making films.

Distribution is safer 'because you make a decision on whether to go with a movie after you've actually seen it.'

Ryonichi Asada, a JVC spokesman.

"Major production companies in the U.S. tend to take care of distribution on their own," he said. "And independent films tend to distribute through major houses."

JVC was the first Japanese electronics maker to move into Hollywood, when it established Largo with Lawrence Gordon, the producer of "Die Hard" and "Field of Dreams" as chairman in August 1989.

Shortly after, Sony Corp. spent \$3.4 billion to acquire Columbia Pictures Entertainment and its music business from Coca-Cola Co. Then, Matsushita Electric Industrial, which has a 52.4 percent stake in JVC, plunked down more than \$6 billion for MCA Inc., owner of Universal Pictures.

42 percent jump in net profit for the latest fiscal year to 1.81 billion rupees, and the tobacco concern ITC Ltd.'s after-tax profit was 2.06 billion rupees, up 32 percent.

On the strength of the Reliance announcement, the Bombay stock exchange, the country's largest bourse, rose 3.52 points Monday, to 4,080.17. The national index, which tracks 100 stocks from the top five exchanges, was up 5.29 points at 1,940.06.

Reliance is the most heavily weighted stock in Bombay, comprising 14.3 percent of the index.

"This is the largest dividend distribution in Indian corporate history," said Anil Ambani, Reliance's joint managing direc-

tor. The dividend payout will amount to 1.4 billion rupees.

The results came just after Reliance became the first Indian company to be listed among the 50 largest companies in the world's emerging markets by Business Week magazine. Its growth is partly due to the expansion of the domestic plastics market.

Reliance's sales totaled 53.35 billion rupees, up 30 percent from 41.05 billion in the previous cal year, reflecting the current bullish market for company products such as polyester fiber.

Reliance also benefited from cheap funds it raised through three bond issues totalling \$350 million.

(Reuters, Bloomberg)

Reliance Reports Sharp Rise in Profit

Compiled by Our Staff From Dispatches

BOMBAY — India's largest private-sector company, Reliance Industries Ltd., Monday announced a sharp increase in profit for the year ended March 31, reflecting a surge in the performance of the country's corporate sector.

At its annual board meeting,

the textiles and petrochemicals company reported a 79 percent increase in after-tax profit, to 5.75 billion rupees (\$183 million).

The company also an-

nounced a 5.10 rupee dividend for each 10-rupee share, compared with the previous year's 3.50 rupee dividend.

Analysts said the dividend indicated a better year lies ahead for private companies in India.

"It is great, but it was expect-

ed," said Vivek Parikh of the brokerage Jamnadas Morarjee and Co. "And it is in line with the rest of the corporate sector."

Tata Iron & Steel Co., part of the Tata group, has reported a

42 percent jump in net profit for the latest fiscal year to 1.81 billion rupees, and the tobacco concern ITC Ltd.'s after-tax profit was 2.06 billion rupees, up 32 percent.

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domestic plastics market.

Reliance also benefited from

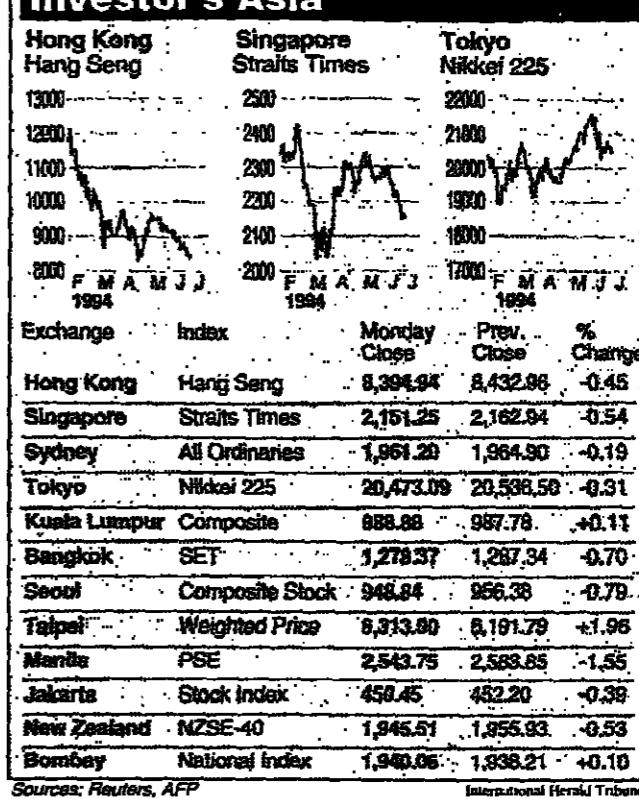
cheap funds it raised through

three bond issues totalling \$350

million.

(Reuters, Bloomberg)

Investor's Asia



Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• NEC Corp., the Japanese electronics concern, said it won a 15 billion yen (\$152 million) order to supply mobile telephone base stations and switching equipment to Brazil.

• Australia Media Ltd., the Australian pay television company, secured all six microwave television licenses sold at a government auction for 17.3 million Australian dollars (\$12.7 million).

• STAR TV, the Asian satellite broadcaster, said it has signed an agreement with PolyGram Film International, a unit of Dutch entertainment concern PolyGram NV, to supply 20 films a year.

• Swiss Bank Corp. will offer currency warrants in Hong Kong, with over-the-counter trading to begin Tuesday; puts and calls on U.S. dollars, Deutsche marks and Japanese yen will be available.

• Marubeni Corp., the Japanese trading company, said it will acquire Royal Dutch/Shell Group's seed-breeding affiliate, Agri-Genetics Inc., for an undisclosed amount.

• Australia's budget deficit improved in the year ended June 30, to 13.67 billion Australian dollars, compared with the previous year's deficit of 14.57 billion, the Finance Department said.

AFX, AFP, Reuters, Bloomberg

Trading Probe in Tokyo

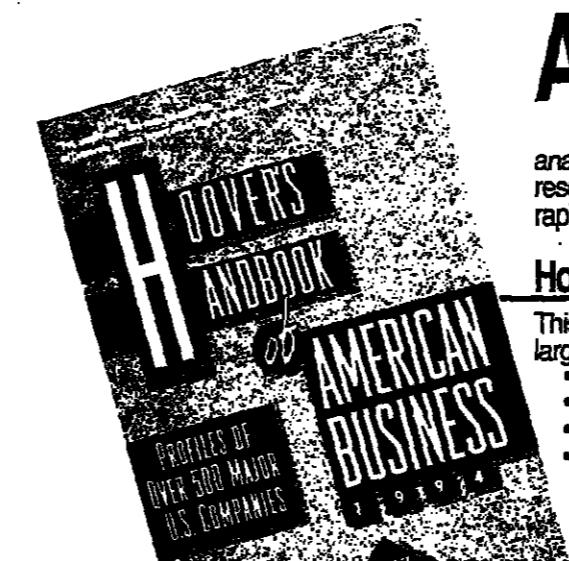
Agence France-Presse

TOKYO — The Tokyo Stock Exchange plans to investigate trading in Mitsubishi Oil Co. shares, which soared in heavy volume Monday before the company announced the auspicious results of test drilling in Vietnam, a news report said.

Jiji Press said the exchange suspected that inside information about the results of the test had been leaked before the announcement was made, 90 minutes after the market closed.

The company's share price jumped to 1,160 yen (\$11.76) at one stage Monday, its highest level so far this year, before sliding to close at 1,150 yen, up 40. Turnover almost tripled, to 14.57 million shares from Friday's 5.54 million.

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NASDAQ

Monday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

134	45	BEM Mr	-	-	20	17a	17a
5%	24	BEMHO	-	-	2	3	3
124	17	BEMT S	.46e	34	52	52	52
114	20	BEMT	-	-	42	76	76
114	51	BEMT	-	-	62	62	62
5%	24	BEMT	-	-	62	62	62
234	19	BEMT	-	-	30	21	21
14%	10	BEMT	1.91e	88	15	12	12
254	21	BT c7v7	1.98	85	171	22	22
254	21	BT c7v7	1.90	85	171	22	22
5%	19	BonyhI	-	-	109	25	25
214	17	BonyhS	.15e	8	49	15	15
214	18	BonyhS	-	-	15	15	15
114	20	BonyhS	-	-	17	17	17
5%	51	BonyhS	-	-	17	17	17
18%	10	BonyhS	.30	13	15	15	15
2%	21	Bosw	-	-	15	15	15
6.2%	21	BSHk wF	-	-	93	74	74
7.3%	21	BSHk wF	-	-	93	55	55
36.4%	25	BSHk wF	2.01	83	22	21	21
25%	17	Borco	-	-	125	178	178
314	21	Borco	-	-	125	254	254
5%	61	Borco	-	-	125	254	254
104	82	Borco	2.00e	23	63	84	84
124	46	Borco	-	-	450	84	84
14%	20	Borco	-	-	83	174	174
14%	10	Borco	.32e	15	21	21	21
314	1	Borco	-	-	172	181	181
314	1	Borco	-	-	275	295	295
15%	11	Borco	1.05	91	21	21	21
15%	11	Borco	1.05	80	21	21	21
15%	11	Borco	1.05	78	21	21	21
49%	24	Borco	1.05	42	11	11	11
30%	20	Borsc	-	-	12	29	29
40%	13	Borsc	.70	24	13	12	12
16%	12	Borsc	.50	13	13	12	12
16%	12	Borsc	1.24	88	17	16	16
25%	8	Borsc	72	47	14	14	14
5%	17	Borsc	-	-	45	12	12
25%	17	Borsc	.24	19	17	21	21
12%	17	Borsc	.24	19	22	21	21
12%	17	Borsc	.24	19	22	21	21
12%	17	Borsc	.24	19	22	21	21
44%	14	Borsc	.24	11	41	47	47
14%	9	Borsc	1.04	77	26	13	13
44%	24	Borsc	.08	3	193	254	254
13%	9	Borsc	.08	3	193	254	254
C							
20%	14	CFC Co	84b	47	13	2	18
7%	41	CFC Fm	-	-	70	52	52
7%	41	CFC Fm	-	-	70	77	77
9%	4	CMC Co	54e	102	41	52	52
14%	11	CMC Co	-	-	52	52	52
5%	19	CVD Fm	32a	22	13	17	17
14%	11	CVD Fm	-	-	177	14	14
5%	19	CVD Fm	-	-	62	14	14

INTERNATIONAL HERALD TRIBUNE, TUESDAY, JULY 12, 1994

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the last trading day. Where a split or stock dividend amounts to 25 percent or more has been sold, the year's high-low range and dividend are shown for the new shares.

Dividends — The company's most recent dividend and dividend rates shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest decimation.

- a — dividend arises retroactively.
- b — constant rate of dividend plus stock dividend.
- c — cumulative dividend.

Other —

**CH—CHECKED DIVIDEND,
CD—COLLECTED.**
C—NEW YEARLY TSW.
S—DIVIDEND CHECKED FOR WORLD BANK.

dividend declared or paid in preceding 12 months.
 dividend in Canadian funds, subject to 15% non-residence tax.

—dividend declared after split-up or stock dividend.
—dividend paid this year, omitted, deferred, or no action
taken at latest dividend meeting.

k—dividends declared or paid this year, on accumulative
basis with dividends in arrears.

— new issue in the past 52 weeks. The high-low range begins with the start of trading.
not — 52nd day delivery.

P/E — price-earnings Ratio.
r—dividend declared or paid in preceding 12 months, plus
stock dividend.

~~2—Stock Dividend or paid in preceding 12 months plus stock dividend.~~
~~3—Stock split. Dividend begins with date of split.~~
~~4—Stock.~~

7—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
8—new security issue.

- v—new yearly high.
- v—trading history.
- vi—so boundary or relationship of the concerned area.

or the bankruptcy or receivership of being reorganized under the Bankruptcy Act, or securities consumed by such company — when distributed.

wd — when distributed.
wi — when issued.
ww — with warrants. -

~~x~~—ex-dividend or ex-rights.
~~x~~—exhibit/bulletin.
~~x~~—without warrants.

SPORTS

Expos Overtake Braves With Defeat of Padres

The Associated Press

After opening the season 13-1, the Atlanta Braves looked like runaway winners in the National League East. Now look who's in second place.

Atlanta is looking up in the standings for the first time since Sept. 9 of last season. The Montreal Expos finally caught the

NL ROUNDUP

Braves after nipping at their heels for a month.

Montreal, which trailed Atlanta by 8½ games before the season was even a month old, won their fourth straight game Sunday, an 8-2 victory over the San Diego Padres.

Wil Cordero, named to replace Cincinnati's Barry Larkin on the NL's All-Star team before the game, hit his first career grand slam as the Expos completed a four-game sweep of the Padres.

"Things have really come together for this team," Cordero said. "Things have come together for me. I mean, making the All-Star team is just unbelievable. This is something you dream for."

The Expos, who outscored the Padres, 34-3, in the series, have been a nightmare for the Padres.

Sunday's victory was Montreal's ninth straight over San Diego, and the Expos' 19th in 21 games with the Padres.

"We could have been playing anybody the way we were playing," said Felipe Alou, Montreal's manager. "The kind of pressure we put on them in these four games, not too many people can handle that."

Moises Alou hit two homers and Jeff Fassero shut down the Padres after giving up two runs in the first inning. He gave up six hits and struck out eight in six innings.

Mel Rojas pitched the final three innings for his 15th save.

Joey Hamilton was rocked in the worst outing of his young career. He lasted five innings and allowed seven runs and seven hits, including one of Alou's homers and Cordero's grand slam.

Pirates 7, Reds 6: Tom Foley's one-out double in the 11th scored pinch-runner Al Martin as Pittsburgh overcame a 6-0 deficit at Cincinnati.

Don Slaught, pinch-hitting for Steve Cooke, walked leading off and was replaced by Martin. Lance Parrish sacrificed before Foley doubled down the right-field line off Hector Carrasco.

Bias Minor got the final three outs for his first save as the Pirates snapped a four-game losing streak with their first victory at Riverfront Stadium since July 2, 1993.

Trailing 6-0, Brian Hunter hit his second career grand slam in the sixth before the Pirates tied it with two in the eighth.

Mets 5, Dodgers 1: In Los

Angeles, Bobby Bonilla, Rico Brogna and Joe Orsulak homered to back eight solid innings by Bret Saberhagen. Saberhagen ran his career record against the Dodgers to 5-0 with his third straight victory.

Pedro Astacio gave up just two hits in seven innings, striking out 10. He took his first loss since June 1 in Atlanta.

Jeff Kent was hit by Astacio with one out in the second, and Brogna, a rookie, homered for the fifth time in 10 games.

Astros 5, Cubs 3: Orlando Miller, playing his third major-league game, hit two home runs out of Wrigley Field. Jeff Bagwell drove in his NL-leading 82nd run and Pete Harnisch got his third straight victory for Houston, which enters the All-Star break 2½ games behind Cincinnati in the Central Division.

Miller, called up from Class AAA Tucson on Wednesday, hit his first home in the fourth, giving the Astros a 3-0 lead. In the eighth, Miller homered again, making it 5-1.

Kevin Foster took the loss, giving up six hits and four walks in six innings.

Giants 2, Phillies 1: Pinch-hitter Jeff Reed's single in the 10th scored Dave Martinez to give San Francisco a four-game sweep of the visiting Philadelphia.

Reed's two-out single off Doug Jones drove in Martinez, who led off with a single and moved to second on Royce

Clayton's sacrifice. Dave Burba pitched 1½ innings for the victory.

Bobby Munoz, the Phillies' starter, took a three-hit shutout into the ninth before Darren Lewis led off with his fourth homer.

The Phillies have lost six straight games, their longest streak this season.

Marlins 6, Rockies 4: In Miami, pinch-hitter Mario Diaz hit a bases-loaded triple and the Marlins rallied from a four-run deficit for their third straight victory.

Bret Barberis doubled, homered and scored twice for the Marlins. They improved to 7-2 against Colorado, clinching the season series in the match of second-year teams.

Florida trailed, 4-2, when Barberis led off the sixth inning with a double against Mike Harkey. Kurt Abbott singled and Bob Natal walked to load the bases. Diaz then tripped on a 3-2 pitch to clear the bases.

In an earlier game, reported Monday in some editions of the Herald Tribune:

Cardinals 6, Braves 1: In Atlanta, Mark Whiten hit a three-run homer in support of Allen Watson, and the Cardinals reached the All-Star break at .500.

St. Louis entered the three-day All-Star break at 42-42, taking two of three games from the Braves after a five-game losing streak. The Braves (52-33) have lost nine of 15 games.

Reed's two-out single off Doug Jones drove in Martinez, who led off with a single and moved to second on Royce



Ann Heimsoeth/The Associated Press
Omar Vizquel, the Indians' shortstop, taking a big step over the Twins' Rich Becker after the forceout at second and watching as his throw to first completed the double play.

View From the Top: A Rare Perspective for Indians

The Associated Press

The Cleveland Indians will not use the All-Star break to celebrate their shocking occupancy of first place in the Central Division, with the best percentage in the American League.

They will be thinking about staying in the race in the second half — a rarity on the shores of

AL ROUNDUP

Lake Erie, where nary a championship flag has flown since 1954.

Mark Clark pitched eight strong innings despite a stiff neck and Kenny Lofton had four hits and four RBIs as the visiting Indians rolled into the All-Star break with a 9-1 victory Sunday over the Minnesota Twins.

While Clark held the Twins at bay, Lofton was busy proving why he is an All-Star. He had a homer among four hits and drove in four runs.

Lofton homered off Scott Erickson in the first inning, his 10th after hitting only six in each of his first two big-league seasons.

"Home runs just happen," said Lofton, who is batting .378. "I have the power, but I don't go for them."

The Indians are in first place at the break for the first time since 1959. Cleveland (51-33) has its best record at the break since 1954, when it was 36-27 and went on to win its most recent pennant.

White Sox 7, Brewers 2: Jack McDowell won his fifth straight game, and Lance Johnson had three RBIs and stole home as visiting Chicago won its sixth straight game.

McDowell, last year's AL Cy Young Award winner, scattered 10 hits, walked one and struck out five in eight innings. Bill Wegman allowed five runs in 5½ innings as Milwaukee lost its fourth straight game.

In earlier games, reported Monday in some editions of the Herald Tribune:

Athletics 5, Orioles 4: Mark McGwire hit a two-run home off Lee Smith in the ninth as Oakland won at Baltimore. The Orioles were three outs away from taking over first place in the American League East when McGwire hit an 0-2 pitch over the center-field wall.

Unser extended his points lead to 127, ahead of his Brazilian teammate Emerson Fittipaldi with 86. Fittipaldi retired from the

homers for the Rangers, who despite a 42-45 record head into the All-Star break in first place in the AL West.

Angels 9, Yankees 6: J.T. Snow homered and drove in four runs, and Spike Owen and Tim Salmon also homered for California to back Chuck Finley at Yankee Stadium.

Snow, a former Yankee, hit a two-run homer during the Angels' four-run fourth off Terry Mulholland and singled in two runs in the ninth. Owen, also an ex-Yankee, hit a two-run home

in the first and Salmon led off the fifth with his 19th homer, both on Mulholland.

Blue Jays 7, Royals 3: Jim Guzman matched a career high with nine strikeouts in seven innings, and Joe Carter had a homer among three hits and three RBIs for Toronto.

Guzman won his second straight start after breaking a streak of four straight losses. Danny Cox went the final two innings for the save in his first appearance of the season.

Unser Races to His 5th IndyCar Victory

Reuters

CLEVELAND — Al Unser Jr. got his fifth victory in the last six IndyCar races, beating Nigel Mansell by a convincing 23.89 seconds in the Cleveland Grand Prix on Sunday.

Unser, the pole-sitter and this year's Indianapolis 500 winner, won with track-record speed of 138.026 miles per hour (220.842 kilometers per hour) in a Penske Ilmor. Paul Tracy finished third, also in a Penske Ilmor.

Unser extended his points lead to 127, ahead of his Brazilian teammate Emerson Fittipaldi with 86. Fittipaldi retired from the

race because of a fire in his brake lines. Mansell, the defending series champion, finished third with 72 points.

Unser drove a flawless, uneventful race, while Mansell, in a Lola Ford Cosworth, had two close calls that could have eliminated him.

"It was a pretty good run," Unser said. "I was fortunate to get a good start."

Mansell's first incident occurred when he was about to lap teammate Mario Andretti, who was trying to overtake slower traffic. They tangled.

In the closing laps, Mansell brushed the wall with his left rear tire.

Cloud of Strike-Talk Is Hanging Over The All-Star Game

By Claire Smith

New York Times Service

NEW YORK — Strike, like a giant storm cloud, that word will hang over Pittsburgh this week, obscuring what would otherwise be baseball's most joyous event — the annual All-Star Game.

The game will be played Tuesday. And the anticipation this time around is described by some in major league baseball as being greater than last year highly successful All-Star week in Baltimore.

Perhaps the ticket demand is so great because of the enormous numbers being posted by players like Jeff Bagwell and Ken Griffey Jr. But perhaps Pittsburgh has also become the place to be because so many fans are now convinced this game will be the only jewel the sport will be able to showcase this year, so gloomy are forecasts of a long, bitter strike.

In other words, eat, drink and be merry, for tomorrow the game may die. The players hold in great disdain the owners' demands for a salary cap, and they seem to be prepared to wield their hammer — the right to strike — for the first time since 1985.

And unlike the relatively small blip on the screen that was the two-day strike in 1985, what lies ahead may turn out to be as hostile as the 50-day strike in 1981.

This is the atmosphere under which the players and owners come together in Pittsburgh. As a result, the game will provide not only a stage for the talents but a platform for the issues.

Players like the Yankees' Wade Boggs and Jimmy Key, the Dodgers' Mike Piazza, the Rangers' Ivan Rodriguez and the Expos' Marquis Grissom will likely address the divisional races their teams are waging.

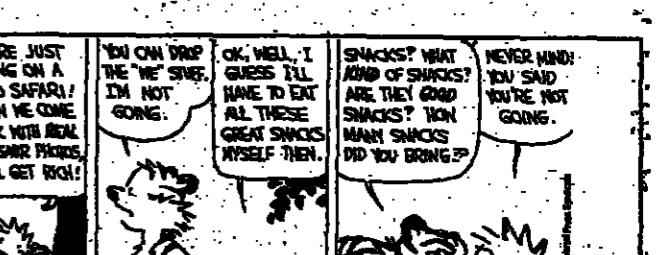
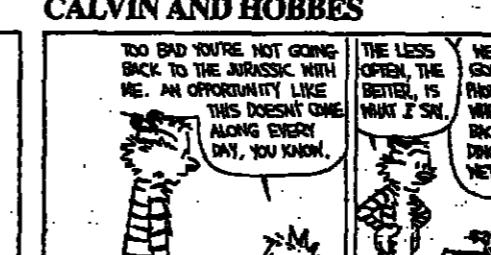
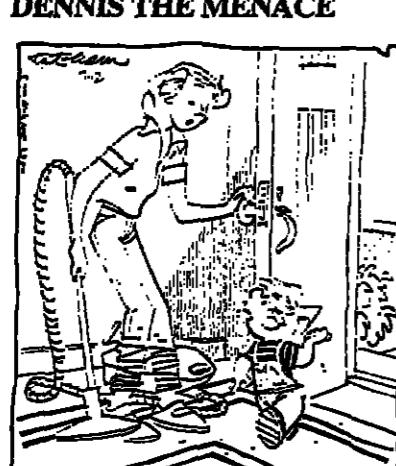
Before Joe Black joined the Brooklyn Dodgers in 1952, he played in the Negro leagues, and he remembers how in the 1940s, before those players could join the majors, let alone a union, there was widespread disdain for the position the Negro league owners held on salaries. He remembers two all-star squads from the Negro leagues acted on that disdain by refusing to take the field before an all-star game.

"We refused to leave the clubhouse," Black said. "The owners came down, but we wouldn't leave. We got our money. We went all the way from \$25 to \$75 for the game."

Modern-day players would probably smile at such a story but cringe at such paltry sums of money. Owners would probably cringe at any tale of management caveats but smile at nostalgic references to dollar figures.

DENNIS THE MENACE

PEANUTS



JUMBLE

THAT DISARRANGED WORD GAME BY RONALD REAGAN AND MITCH KAGAN

ONE LETTER TO EACH SQUARE, TO FORM ONE OR MORE WORDS

ANSWER ON PAGE 14

SPORTS

Scorching the Pack, Indurain Takes Lead

By Samuel Abt
International Herald Tribune

BERGERAC, France — Big

Mig is back.

Riding with his accustomed power, Miguel Indurain trashed the Tour de France pack Monday in an individual time trial and started toward his fourth consecutive victory in that race.

There had been some doubts about the Spaniard's strength and speed because he finished third in the three-week Giro d'Italia in June after two consecutive victories in that race. Worse, he failed to win a time trial after dominating the race against the clock in the Giro for two years.

"Despite the heat, I tried to do my maximum and I think I succeeded," said Indurain, who can understand almost as well as can time trial.

His face impassive, he gulped water from a big bottle once across the line and then continued: "I think we have the team to defend the jersey."

He is wearing the yellow jersey of overall leader by 2:28 over Rominger, with Armand De Las Cuevas, a Frenchman with Castorama, third, 4:40 behind.

Barely 10 kilometers later he had overtaken the rider who started two minutes before him, Lance Armstrong of the Motorola team. Other victims began turning up regularly in Indurain's wake.

At the end of the 64-kilometer time trial from Périgueux to Bergerac in the hospitable Périgord region of southwestern

France, the carriage was nearly total.

Indurain, who rides for the Castorama team, finished at least four minutes ahead of all 175 other riders for his main rival, Tony Rominger. And the Swiss, who rides for Mapei-Cas, was able to limit his loss only to a big two minutes.

The winner was timed in one hour 15 minutes .58 seconds over demanding course in a stifling heat in the low 90s Fahrenheit (30s centigrade). An intermittent light breeze did nothing to hinder the riders but kept tens of thousands of fans along the course from swooning.

"Despite the heat, I tried to do my maximum and I think I succeeded," said Indurain, who can understand almost as well as can time trial.

Looking wan, Rominger paid the obvious tribute.

"I have to admit that Indurain was stronger today," he said.

Rominger, who had spurts of bad luck last year when he finished second to Indurain in the Tour, had a flat tire a bit less than halfway through the stage and lost perhaps 30 seconds in 1:36.

De Las Cuevas finished third

Monday with a deficit of 4:22. Thierry Marie, another Frenchman with Castorama, was fourth, 4:45 behind, and Chris Boardman, the Englishman who rides for the Gan team and who wore the yellow jersey for three days after he won the prologue on July 2, was fifth, 5:27 to a big two minutes.

Although there probably will be many challenges and surprises before then, Indurain answered the big question Monday.

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SPORTS WORLD CUP

Sweden and Ravelli Stop Romania in Shootout to Reach Semifinals

Would-Be Salesman Buys His Team a Soccer Dream

By Christopher Clarey
New York Times Service

PALO ALTO, California — Just before this sun-drenched lottery of a World Cup began, Thomas Ravelli was asked to assess his Swedish team's chances of success.

Ravelli scratched his increasingly prominent forehead and responded with quiet confidence: "It has been 20 years since Sweden has had as good a team as we have now."

Four weeks later, Ravelli might want to revise that statement. Thanks in large part to his timely performance in Sunday's victory over Romania, the Swedish team is not merely the best in 20 years; it is the best since 1958, when another cohesive band from the land of short summer nights made it all the way to the final before losing to Pele and Brazil.

"We have made a great tournament," Ravelli said, shortly after his team advanced to the second World Cup semifinal in its history. "Now we have two games to go to make it even better."

With deep wrinkles around his eyes and his receding blond hairline, Ravelli looks more like the salesman he studied to be than the world-class goalkeeper he is. But at 34, the oldest player on Sweden's relatively young side, he still had enough spring in his legs and competitive fire in his heart to become the hero of Sunday's penalty-kick shoot-out.

Ravelli, not known for his prowess in stopping shots from the 10-meter mark, managed to stop two Sunday afternoon. His first save, against Dan Petrescu, kept Sweden's hopes alive; his second, against Miodrag Belodedici, gave Sweden the victory.

Ravelli, the son of an Austrian immigrant, did all this on the day that he tied the national record held by defender Bjorn Nordquist with his 115th cap.

"I got a fax from Bjorn before the match," Ravelli said. "He said that he wished me luck and said it was time that I beat his record."

But, with the likes of Gheorghe Hagi flying in on him at breakneck speed, Ravelli had little opportunity to dwell on personal milestones.

"I did not think at all about that," Ravelli said. "If this had been a friendly game, I would have thought about it more. But this game was too important."

Ravelli has started plenty of important games for Sweden. After winning the national title with the Swedish club team Östers Vaxö in 1980 and 1981, he moved into the starting lineup on the national team, replacing Ronnie Hellström. When he arrived on the scene, Sweden was no longer a world power, and it failed to qualify for the World Cup finals in 1982 or 1986.

In 1990, when Ravelli finally got the chance to play in Italy, the Swedes lost all three of their first-round matches and returned to a disappointed nation.

"We won our last qualifying game, 6-0, against Finland, and everybody thought we would be so good," Ravelli said. "Maybe we trained a bit too hard last time. We practiced twice a day, and I think it was too much."

With a new coach, Tommy Svensson, in charge, Sweden quickly regrouped and managed to reach the semifinals of the European Championships in 1992. That success, like the World Cup success of 1958, came on Swedish soil.

"This time, we are a long way from home," Ravelli said.

And even if Ravelli and the Swedes should fall short of the 1958 team by losing once more to Brazil, the man who could have been a salesman is not ready to write an end to his international career.

All he needs are 10 more caps to equal the world record for international appearances held by the legendary English goalkeeper, Peter Shilton.



Thomas Ravelli of Sweden swatted away Miodrag Belodedici's penalty shot and with it Romania's semifinal hopes.

A World Cup Running Over With Spicy Surprises

International Herald Tribune

SAN FRANCISCO — Whatever the sting may bring to the tail, this has become the most memorable World Cup in a quarter of a century.

The gamble of taking the game to America, for

reasons of Rob Hughes

first, sport

second, has

paid off in a way no one could have imagined. For while the host nation tries to come to terms with the body blow to the sporting ethic of O. J. Simpson, Mike Tyson and Tony Harding, soccer, which many swore was alien to U.S. culture, has scored bonus points for good behavior.

Hundreds of thousands of spectators have attended 48 matches so far without sight or sign of violence. We dare not be sanctimonious about this because there are diehards abroad connected to the sport, yet where the games are happening the mood is celebratory.

"At some places we are enjoying the element of surprise, what spics up life and is vital to sports. We are seeing the reaffirmation that soccer knows no bounds of culture, class or creed, and that 11 players from just about anywhere can knock 11 supposed sporting gods out of the biggest tournament on earth."

With 20 of the 24 starters dispatched home, we still have options that might allow a traditional World Cup final in the Pasadena Rose Bowl next Sunday between Brazil and Italy, both three-time winners. Or we might get Sweden vs. Bulgaria, countries that have never won the World Cup.

Most likely, I suspect, is a combination of the two: Brazil beating Sweden in

one of Wednesday's semis, Bulgaria outlasting Italy in the other.

But even Brazil, which lacks only a true midfield orchestrator among certainly the most talented player pool in the competition, should presume no divine right. Its players have seen teams from Eastern Europe, teams emerging out of post-Communist confusion, eliminate Argentina and Germany, the previous world champions.

Argentina's conqueror, Romania, was beaten on the dreaded penalty shootout by Sweden on Sunday. The Swedes are as undemonstrative as their tennis champions Björn Borg and Stefan Edberg, but they plot against the opponents' strengths and, believe me, they mean business.

The victory over Romania was twofold. Sweden isolated Gheorghe Hagi, at times with foul intent. And they softballed the Romanians, giving a team of lightning counterattacks no space or pace from which to spring.

Even then the match was tied 2-2, and concluded as no contest ever should — on the spurious penalty lottery. That gave Thomas Ravelli, in his 113th appearance as Sweden's goalkeeper, the chance for once to play hero with two acrobatic stops.

It also desolated Romania, and made potential scapegoats out of Miodrag Belodedici and Dan Petrescu, two extremely fine defenders asked to do what they were not trained or temperamentally suited to: score penalty kicks.

"Penalties are a lottery," admits Tommy Svensson, Sweden's coach. "But I don't know of a better system." FIFA does; it plays a sudden-death system, play on until the next goal. The sooner, the better, for, even in hothouse condi-

tions like these, that at least involves the full range of soccer skills.

Anyway, the release turned one bald, quiet onlooker on his head. Svensson rushed to the field, did a hand spring of joy, and came as close in that gesture as a Swede does to boasting.

Boastfulness, they leave to the Germans. Forgive me, but I'm glad to see the back of Germany. Like England, it has lived on its past. Like England, it was presumptuous about its own greatness. Like England, its arrogant self belief was headed for a tumble.

Germany's team had grown old. Manager Bert Vogts tried to nurse the 1990 winners through 1994 because he felt Germany's youth was uninspiring.

So, in the end, were Lothar Matthäus and Co. They stagnated in soccer's pool of progression, and how delightful that Bulgaria, population 9 million to Germany's 80 million, should outplay and outfight them.

Bulgaria had never won a World Cup tournament match before. It had lost its opening match here to Nigeria, 3-0. Now it has the scalps of two former champions, Argentina and Germany.

Who says Bulgaria, on the way up, will not now erase Italy, in fading, tired, frightened team depending on the ponytail strait of its talisman, Roberto Baggio?

Soccer is becoming a marvelous leveler, and with the unpredictable Hristo Stoichkov in Bulgaria's ranks, anything can happen.

One player — another baldie — caught my eye Sunday. Jordan Letchkov's appearance is deceptive. He turned 27 on Saturday, yet when he put his head to the ball to score a superb goal against Germany it crowned a performance from him in midfield that suggested he

knew exactly where, how and why his small nation might defeat Germany.

He should do. Letchkov is one of the new breed of Bulgarians, a mercenary making it abroad. He plays for Hamburg, and thus knows precisely the strengths and weaknesses of German players.

His unflustered performance told his colleagues there was nothing to fear, not even from Germans who had three extra days' rest and whose theatrical center-forward, Jürgen Klinsmann, tricked another referee into granting him a penalty.

But speaking of fear, how eerie is to take a goal like we did in the last five minutes" of overtime, said Romania's star midfielder, Ghéorghe Hagi.

"We should have won, 1-0, in ordinary time," said Ravelli, who tied Sweden's all-time record for national team appearance Sunday after many Swedish players and fans had thought his career was finished years ago. "But as the game developed, to win in a shootout was much more fun."

It was a finish that rewarded a less-than-capacity crowd of 81,715 that endured nearly 90 minutes of scoreless tactical jousting. After the Swedish striker Martin Dahlin hit the post with a diving header in the fourth minute, Sweden went forward in great numbers very cautiously and began retreating at the first sign of trouble. It was a move designed to contain Romania's swift counterattacking offense and the multitalented Hagi.

Who can explain it? The sport is fine, the stadiums here are havens, and in the world far away, in the lands from which the performers come, people's emotions are being carried to catastrophic proportions.

"Soccer," says Andreas Herran, a young FIFA press officer, "is simply paying the price for being such a popular sport." It is neither simple, nor an acceptable price.

Rob Hughes is on the staff of The Times.

Photo: Rob Hughes

AP Wirephoto

Photo: AP Wirephoto

POSTCARD

Mango Mania in India

By Molly Moore
Washington Post Service

NEW DELHI — You can slice em' suck 'em or slurp 'em, but no matter how you cut 'em, there's not a fruit on earth that evokes more passion among Indians than the mango.

Sunny Mohar is pulp-splattered, juice-stained proof. Minutes after wolfing down 7.7 pounds (3.5 kilograms) of mangoes in four minutes at a mango-eating contest here, the 24-year-old electronics engineer declared before cameras and reporters, "I'm crazy about mangoes!"

Javed Faridi, no less enthusiastic, is nonetheless a bit more dignified in his worship of the mango. Like his father before him, he invents new varieties of the subcontinent's most popular fruit. The 55-year-old mango master said he has created 300 new hybrids in his lifetime — including a mango cross-pollinated with a rose and a tiny two-kilogram mango the size of a grape.

The mango season — now at its peak — is anticipated in the world's mango capital with the same relish the French attach to the arrival of Beaujolais or with the fanaticism of Louisianians awaiting crawfish season. Poets even write odes to the tropical fruit. Akbar Ilahabadi penned:

"either letter nor message from my beloved send to me,

"you must send something this season, mangoes let them be."

Why is such an oddly-shaped, difficult-to-eat, quick-to-rot fruit equated with the cult of the Gods?

Some will tell you it's a question of sheer volume. Of the 16 million tons of mangoes grown annually around the world, 60 percent of the crop is produced by India.

Some say it is the fruit of kings and conquerors. Alexander the Great supposedly savored it and the Mogul emperors who ruled India for centuries prized their mango orchards above all others. Others argue that it's the poor man's fruit. In India — one of the world's poorest countries — a couple of mangoes and a

drink of milk will give a poor man a full day's supply of nutrients.

Forget all practical explanations, say the romantics. Quite simply, "Indians love mangoes with a passion that surpasses belief," writes one of India's best-known contemporary authors, Khushwant Singh, in his lyrical book "Nature Watch."

And pity the person who thinks just any old mango will do. With more than 1,100 varieties of mangoes grown throughout India, every type has its loyalists.

The experimental mango addict, such as grower Faridi, however, are always on the lookout for the exotic. His display, which filled almost one-third of the indoor arena of Delhi's 7th International Mango Festival, was a smorgasbord of more than 450 varieties, all grown on his 100-acre (40-hectare) farm about 35 miles (55 kilometers) from New Delhi.

While Faridi lovingly cradled his favored mangoes and espoused their attributes for all to hear, 41 more rambunctious mango-lovers lined up for the mango-eating competition.

Each contestant was given 7.7 pounds of mangoes, an empty bottle, a knife and four minutes to devour the fruits.

Six-year-old Kamma Arora stripped her mangoes of their thick skin and gnawed ferociously at the orange pulp inside. Faridi's wife, Kaiser, ripped the top off the fruit and sucked madly.

But nobody could compete with 14-year-old Kanwar Jot Singh for style. He grabbed a mango in each fist, squeezed the nit through the top Popeye-style and jammed the fruit — two at a time — into his mouth. Orange pulp drizzled down his neck and splattered the lens of photographers daring to get too close. With time to spare, he called for an extra pound and smashed them into his mouth — gobbling almost nine pounds of mangoes in four minutes. It was not a pretty sight.

A heat wave will continue into late this week from the Midwest and Great Lakes to the Northeast through Berlin.

Very warm weather will have welcome sun much of the week, but it will not be humid. Some scattered thunderstorms will drift from Paris to Berlin later this week. London will turn slightly cooler with a few showers this week.

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.



By B. E. Stewart

Washington Post Service

CHICAGO — Mikal Gilmore has a soft voice, an understated wit and a sweet enthusiasm. He is lean and pale. His forehead arches high above his angular face, and he seems to listen thoughtfully, carefully. He is tactful when the media people, who interview him three or four times a day lately, ask fuzzy questions or think his book is a true-crime novel. When they goof, as Larry King and Charlie Rose did, and call his book "Shot in the Dark," he remains gracious.

He's on a book tour right now. But what makes his interviews unusual is the wrenching intimacy and dignity of what he has to say. His book is "Shot in the Heart." It is the tale of a family — his own — and a tale of impressive bravery, again, his own. The bravery is in investigating and writing unflinchingly and poetically of the "whole [expletive] tragedy" that is his heritage and blood.

"It took me 15 years to work up the nerve," says Gilmore. "The idea scared the hell out of me: putting myself out so publicly and in perhaps a permanent way. I was daunted. I didn't know if I could bear it."

Mikal Gilmore is Gary Gilmore's youngest brother. Gary Gilmore, on two consecutive nights in Provo, Utah, shot to death a motel keeper and a law student working at a gas station. It was not his crimes but his punishment that made him famous. Sentenced to death, Gary Gilmore refused to let his lawyers appeal. He was executed by Utah in 1977, in the first U.S. execution in 10 years.

Gary Gilmore's execution — five gunshots into a white circle pinned on his black T-shirt — and the preceding months of legal wrangling were big news. Norman Mailer wrote about it in "The Executioner's Song" and won a Pulitzer Prize.

But Mikal Gilmore's book is not just about Gary. It is about all the members of the Gilmore family and their legacy of pain and waste and degradation. It is about cruelty and betrayal of children, and the grown-up children's subsequent rage and self-destruction. It is about a violence as routine as mealtime. And it is about the one, Mikal, who survived to tell the tale.

Much of what Mikal Gilmore, 43, has to say is chilling. But he speaks easily and at length. He never expected his book to make such waves.

"It's a difficult book — dark," he says. "I was stunned at the reviews. I never expected them to be good."

Since 1976, Mikal Gilmore has been writing music criticism and thoughtful profiles for Rolling Stone. Isolated within his family, as a young boy he had turned to books and to music. "I took a great deal of solace and pleasure in life in reading," he says. And later in music. "Music has been my best friend."

Gilmore was used to investigating people's lives. But it was quite another thing to investigate himself and his family, to write of his father beating his wife and sons bloody, of his screaming mother smashing the turkey into the wall at Thanksgiving, of one brother being stabbed and eventually dying from the wounds and another murdering innocents.



Courtesy of Mikal Gilmore

For Mikal Gilmore, there is no bitterness.

He began his book three years ago. His long-postponed "Shot in the Heart" proposal was purchased in 1991 for a reported advance of \$700,000. Doubtless beating out 10 competing publishers.

He had lost his entire family long before. His father, mother and two of his brothers had died.

Gary from execution, Gaylen from the stabbing wounds that never healed. Frank Jr., the oldest brother, was alive, but had vanished.

To all appearances, he was a successful businessman. He was music critic at the now-defunct Los Angeles Herald-Examiner. He had friends and money in the bank. He had been married

but, he says, "I had a period of intense despair. I thought I could never have my own family, children of my own. My life came to a halt. On a particularly dark night, I realized I was still held by my bonds with my family. I told myself I'd escaped, but I realized I had indeed come from my family. Devastation resonated in my bloodlines."

Frank Gilmore Sr. had a mother who conjured spirits, who shunted him off to boarding schools who never spoke of her baby who had died. She claimed, and Frank believed, that his father was the magician Houdini and had abandoned them.

When Bessie Brown, Mikal's mother and Frank's seventh or eighth wife, met him, he was scamming merchants with phony advertising and hooliganing it out of town. Bessie was the rebellious daughter of a bullying father and a descendant of Mormons who had walked across the country. Her childhood was harsh, filled with tales of sin and retribution, and she fled the family farm as soon as she could.

Frank beat Mikal's three brothers viciously, at least weekly, because they dropped a piece of cake or lingered five minutes after school, or for nothing. He mocked and humiliated them. Frank Jr., the oldest, withdrew. Gary would scream and thrash, which made his father hit longer and harder. He remained the unjoined troublemaker until he died.

Until Mikal was born, Gaylen was the brother most loved by his father. After Mikal's birth, Gaylen, too, was beaten and mocked.

"I told myself I was different from them," Mikal Gilmore says of his family. And he was. By the time he was born, 10 years after Gary, his father had done a turnaround, buying a house in Portland and publishing a local building codes handbook. And he was gentle with his youngest son. His father would take Mikal away on business trips for weeks on end. "My father and I," he writes, "were our own family."

But this separated Mikal from the rest of his family. "My brothers were people I wanted to be close to, that I loved," he says. "I longed for fraternity with them." He was able to achieve it, in the end, only with Frank Jr. "This book brought me to the last place I thought it would," he says. "I found my real family — Frank."

"Shot in the Heart" is too honest a book to have a happy ending. "In the beginning," Mikal says, "it was plain that you learn things so you don't have to keep repeating them. At the end I realized you don't get to a place where you're purged. The last paragraph was grim. But when I got down to the last sentences I was more elated than I've ever been in my life." In writing about his family he says he has found some peace and, yes, some happiness.

"I think a victorious life would be, at the end you are free of bitterness. I approached this book with detachment. I had no stake in vindicating or judging. I think bitterness doesn't have a place in my heart. I feel lighter now. I feel less urgency. I don't know if I would want to be anyone else. It would not be as interesting. It would be boring."

"It's a heartbreaking and devastating world," he says. "All you can do is live with as much grace as you can."

PEOPLE

Jackson and a Presley Married? Stay Tuned

You say you weren't invited, that you hadn't even heard. Well, a Dominican attorney insists he officiated at the "secret wedding of the century": Michael Jackson, 35, all in black, marrying Lisa Marie Presley, 26, daughter of Elvis, in a simple, strapless beige dress. Francisco Alvarez Perez, civil records official of La Vega, Dominican Republic, says he married the two at his home on May 26. And according to an official marriage record, complete with the requisite government seals, the two were indeed wed by Alvarez on May 26. The certificate has everything but the signatures of the two principals. If this is news to you, it also is to Jackson, whose entourage dismissed the report as "not true."

Van Cliburn, who turns 60 on Tuesday, may have made a few mistakes in the opening of his signature piece — "Tchaikovsky's Piano Concerto No. 1" — but wowed his audience as he started his first concert tour in 16 years in San Diego. The violinists got five ovations.

Oprah Winfrey gets the crown again for the third year in a row. An annual Harris poll found that she is the most popular American talk show host. She was preferred by 27 percent, while David Letterman got second place with 15 percent.

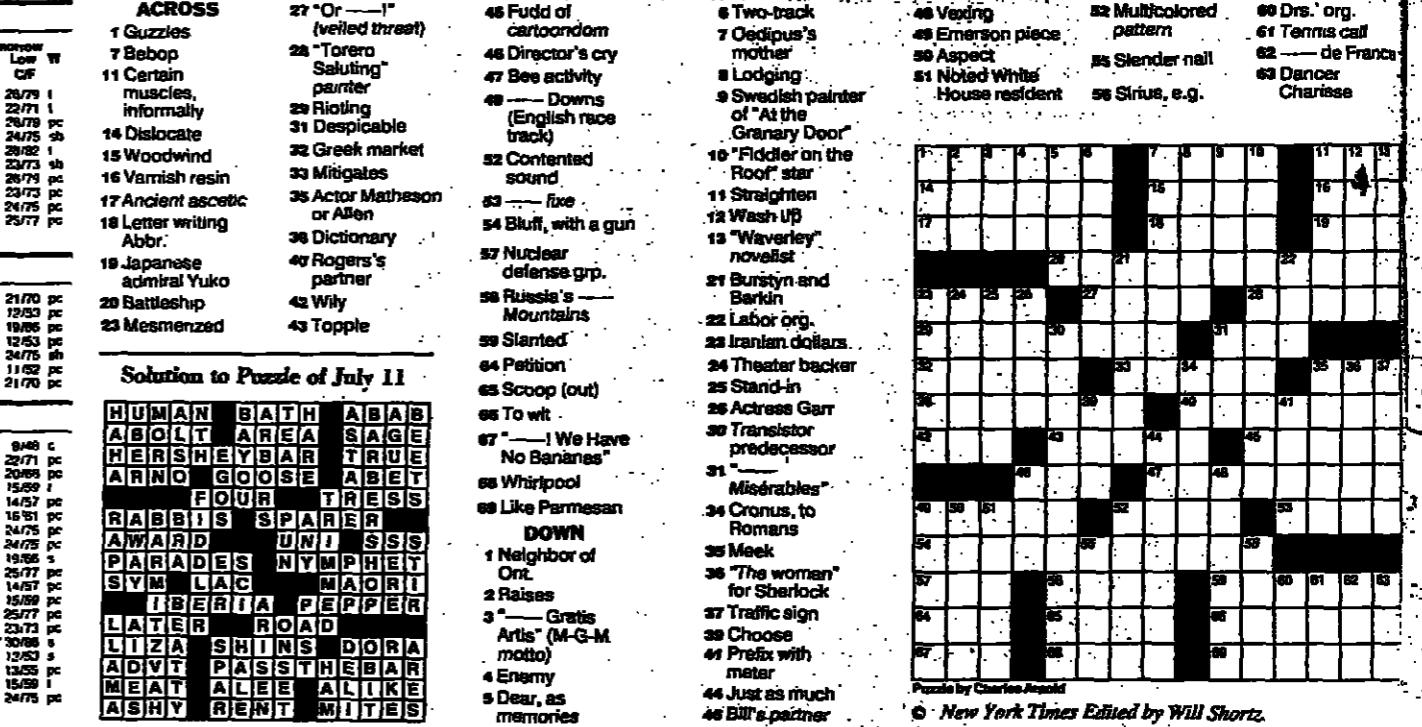
Guitars and clothing, including six specially made psychedelic jackets, belonging to the late rock star Jimi Hendrix will be auctioned in London on Aug. 18 on the 25th anniversary of the Woodstock rock festival.

The "Queen of Romance," Barbara Cartland, celebrated her 93rd birthday in Herefordshire, England. Cartland's 58 or so books have sold more than 600 million copies.

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Solution to Puzzle of July 11

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AWARD	UNISS	
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SYMLAC	MAORI	
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LIZA	SHINS	DORA
ADVT	PASSTHEBAR	
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Solution to

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